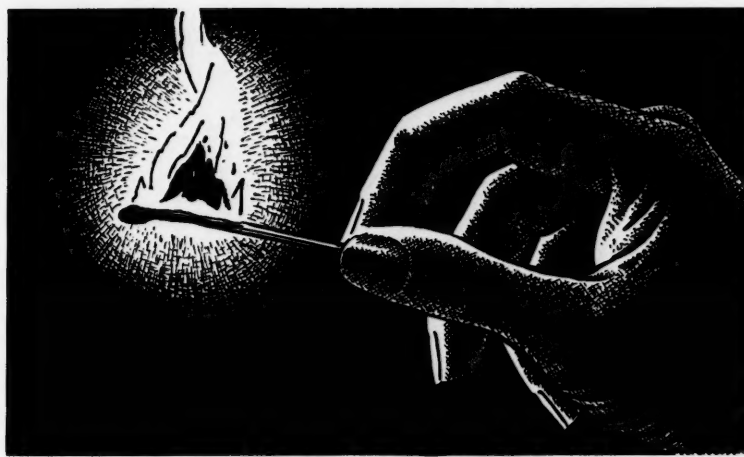


The NATIONAL UNDERWRITER

Life Insurance Edition



THIS MAN IS

IN THE DARK

... because he doesn't know he can sell **MORE** life insurance for **LESS MONEY**. For the prospect with better than average reputation, occupation, income, physical condition and family health history, our Preferred Risk Policy gives a marked reduction in cost for an equivalent amount of insurance. But most important, are the *extra plus values* with a Union Mutual Preferred Risk Policy ... for example ...

High guaranteed cash values particularly in the early years ... 2½% settlement options provide guaranteed high retirement income and high income payments to beneficiaries ... Low premiums plus our top dividend scale ... Disability Income to age 65 is available up to \$100 a month by rider.

Plus income from Plus sales with Plus values!

UNION MUTUAL

LIFE INSURANCE COMPANY * Home Office
Portland, Maine * Rolland E. Irish, President *
Kenneth L. Anderson, Vice Pres. & Mgr. of Agencies



AMERICAN LIFE CONVENTION

FRIDAY, OCTOBER 9, 1953



*It takes a lot of different ones
to cover everybody*

There are about as many retirement programs as there are people. And when it comes to a variety of policy contracts to cover these programs—New England Mutual writes the field *completely!*

Whether it's an Individual Contract Pension Trust. Or a Personal Retirement Income Contract. Or Group Life Insurance. Or Group Annuities. Or Profit-Sharing Plans. It makes no difference

what the problem is, New England Mutual has the answer.

All of New England Mutual's highly specialized experience in this important field is available to brokers and agents of non-pension or group-writing companies.

You can profit from this experience. All you have to do is contact our nearest general agent.

The **NEW ENGLAND**  **MUTUAL**

Life Insurance Company of Boston

THE COMPANY THAT *FOUNDED* MUTUAL LIFE INSURANCE IN AMERICA—1835

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Use Agents' Actual Experiences in Ads, Cecil North Urges

Tells LAA Most Copy Fails to Let Reader Know What Insurance Can Do for Him

BOSTON—Only five of 26 national-magazine advertisements by life companies in recent months "talked directly about what insurance would do for the reader," said Cecil J. North,



C. J. North

field management vice-president of Metropolitan Life, at the annual meeting here of the Life Insurance Advertisers Assn. "Doesn't this suggest," he asked, "that so far as advertising is concerned we could well afford to give more consideration to the actual experience of actual agents with actual prospects? By doing so, might we not be of more service to them in their selling—and at the same time of more service to the public?"

"To the extent that we do not profit from the experience of the field man, I suggest that we are not working with him as closely as we might toward the attainment of our combined objectives. On the other hand, I think it is equally true that the agency man, both in the field and in the home office, sometimes tends to minimize the importance of advertising and sales promotion in helping him attain his objectives.

"He sometimes overlooks the fact that good advertising and good merchandising are also essential elements in the selling process and that he is overlooking something in not making full use of them when they are available. Advertising often sells the company, thus simplifying the agent's selling problem. Working together, each can profit from the other's experiences and more easily achieve common objectives."

Mr. North urged that life company advertising men get better acquainted with the aims, ambitions, philosophies, and methods of the field man, and—what he termed equally important—"give the field people an opportunity to get better acquainted with you."

"Seek opportunities to participate in underwriter programs and talk about advertising, sales promotion, and public relations," he advised. "Let the field man know what you are doing and can do to help him in his career."

Mr. North quoted a sage observation made by Penny, a teen-age comic-strip character. Penny's father had remarked that there'd be less friction in the world if we could see ourselves as others see us. Penny replied that it might be better if others could see us

(CONTINUED ON PAGE 39)

Smith Made Texas Life Commissioner, Board Chairman

Governor Shivers of Texas has appointed Casualty Commissioner Garland A. Smith as life commissioner and chairman of the board of commissioners. He succeeds the late George Butler.



Garland A. Smith

Replacing Mr. Smith as casualty commissioner is J. Byron Saunders, currently chairman board of public welfare. Mr. Saunders, who is 44, served as assistant district attorney at Tyler, his home town, from 1932 to 1934. He later for four years was a Smith county judge. He is a navy veteran of the last war, and has been in private law practice at Tyler since 1946.

Mr. Smith, a graduate of North Texas Agricultural College, was editor and publisher of the Caldwell (Tex.) News for 9 years before going into state politics in 1940 when he was appointed assistant state treasurer. After navy service, he became manager of the campaign of Allan Shivers for lieutenant governor in 1946. He was secretary of the Texas senate while Mr. Shivers was lieutenant-governor, and became his assistant when Mr. Shivers was elected governor in 1949. He has been casualty commissioner since April 1, 1952.

Paul Brown, who has been in a coma for several months, continues as fire commissioner. It is understood that Mr. Brown's wife unsuccessfully attempted to resign for him. Under Texas statutes, the only way Mr. Brown's term can be terminated before expiration is through personal resignation. The one alternative is impeachment, although there appears to be much sentiment against this.

AFFECTS AGENTS, OFFICERS

N. Y. Bans Paying Wives' Expenses at Insurance Meets

NEW YORK—Superintendent Bohlinger has ruled that the payment of expenses of life agents' wives or guests at educational conferences or conventions by managers or general agents is prohibited by the New York insurance law. He also has held that the payment of expenses of officers' wives on business trips or at conventions or agency meetings by companies violates the law.

Mr. Bohlinger reaffirmed previous department rulings after he learned that managers and general agents were offering to pay the expenses of wives and guests at meetings. In a letter to companies, Mr. Bohlinger stated that he was bringing the matter to their attention because the department "will hold responsible the management of any company which permits a violation of the provisions of section 213 through the making of such payments."

Referring to the fact that the department has, on several occasions since 1924, ruled payment of such expenses is not permitted, Mr. Bohlinger pointed out that the previous rulings "apply to agency managers and general agents as well as to companies, even though the company does not directly reimburse the manager or general agent."

He said justification for reimbursing agents who attend these meetings "is based upon the educational value of the meeting to the agent and the absence of pecuniary benefit to him." This justification, he added, "is not present in the case of payment of expenses of a wife or guest accompanying an agent to a convention or agency meeting. In the latter situation it is manifest that the agent when he is thus reimbursed, receives a reward contrary to the statutory prohibition for the reason that he is relieved of the personal expense which would otherwise

(CONTINUED ON PAGE 39)

A.&H. Bureau Speakers Cover Wide Range

Laurence Soper Elected New Chairman at First Rally in Canada

Bureau of A. & H. Underwriters, meeting at Quebec this week, elected Laurence B. Soper, assistant vice-president of New York Life, as chairman of the governing committee to succeed E. A. Hauschild, Security Mutual Life.

Twelve members were elected to the governing committee, and they are: Logan Bidle, Aetna Life; W. deV. Washburn, American Health; Robert K. Metcalf, Connecticut General Life; J. Henry Smith, Equitable Society; W. L. Bates, Fidelity & Casualty; Daniel J.



Laurence B. Soper



Stefan Hansen

Lyons, Guardian Life; W. E. Kipp, Indemnity of North America; William R. Shands, Life of Virginia; Graham Watts, Royal-Liverpool group; Paul E. Laymon, Standard Accident; Alfred W. Perkins, Union Mutual Life, and Clarence C. Clarke, Zurich.

Mr. Soper joined Connecticut General Life in 1920 when he graduated from Syracuse university. He became superintendent of the accident department in 1921 and in 1937 was made assistant secretary. He has written a "Study Outline of A. & H. Insurance" that was published by Life Office Management Assn. He joined New York Life in 1950 as assistant vice-president and has been in charge of its A. & H. department since 1951, when it was organized.

J. F. Follmann, Jr., bureau general manager, in his report at the final session said that seven companies have joined the bureau this year. He noted that the bureau has an increasing number of demands on it for information both from individuals and from organizations.

With A. & H. coming into the limelight and the special attention being paid to the economics of financing medical care, the bureau has formed an advisory committee on the subject. This is an area in which companies writing A. & H. are having to become increasingly interested, Mr. Follmann remarked. "Certainly a great many outside the insurance business are interested—interested to the extent of burse the manager or general agent."

(CONTINUED ON PAGE 40)

Late News Bulletins . . .

Travelers Announces Reduction in Rates

Travelers has reduced its rates so that they are substantially the same as the non-par rates of Aetna Life and Connecticut General. For the last two years it has had somewhat higher rates.

Hoffman Now Union Central Baltimore Manager

Robert L. Hoffman has been named manager at Baltimore for Union Central Life. He succeeds General Agent Richard L. Hyde who will devote his entire time to personal production.

Mr. Hoffman started in 1935 with Provident Mutual at Philadelphia as an agent. He was with Massachusetts Mutual there from 1944 until the present, two years as agency supervisor and then as district manager of Doyleston, Pa.

Bankers National Has \$250 Million in Force

William J. Sieger, vice-president of Bankers National Life, wired Ralph R. Lounsbury in Chicago, where Mr. Lounsbury was taking over as president of American Life Convention, that on Oct. 5 the company reached \$250 million insurance in force.

(Additional Late News on Page 40)

Program Topics Given for Society of Actuaries

The program has been readied for the annual meeting of Society of Actuaries, scheduled for Oct. 29-31 at Chicago.

The business meeting Thursday will be followed by presentation and discussion of papers, this feature extending into Friday. The second day's card also includes a report by the committee on the 1951 impairment study and a panel discussion on "Unemployment Insurance", with R. A. Hohaus, Metropolitan; Henry S. Beers, Aetna Life, and R. J. Learson, Mutual Life, as members. Informal discussion topics make up the balance of the program.

The only new paper to be presented and discussed is "Experience Rating" by Paul H. Jackson, Aetna Life.

Papers presented at previous meetings which will be discussed are:

"Korean War Mortality," James T. Phillips, New York Life; "1952 Amendments to the Social Security Act," Robert J. Myers, social security administration; "The Dip in Mortality in the Twenties of Age," Walter G. Bowerman, New York Life; "The Mathematical Risk of Lump Sum Death Benefits in a Trusteed Pension Plan," H. L. Seal, Suisse, Morss & Seal, New York; "Valuation of Policy Deposits at an Interest Rate Lower than the Guaranteed Rate," Andrew Delaney, Union Central Life.

General topics for informal discussion are:

I. Sickness & Accident

A. In considering the function insurance should fulfill in meeting the economic consequences of sickness and accident: (1) What portions of the loss of income and of the expenses incurred are properly insurable; (2) What special problems are encountered in providing suitable coverage for the following?: (a) Employees and dependents eligible under group plans; (b) individuals (employed or not employed) and their dependents ineligible under group plans; (c) aged persons.

B. How can companies meet the problems of overinsurance arising from duplication of coverage or from other causes?

II. 1952 Report on Ordinary Disability Benefits

A. What period or combination of periods could reliably be used for valuation purposes? What is the effect of the elimination of the third period data from the study of disability rates and not from the study of disabled life annuities?

B. (1) Which of benefit bases 1, 2, 3 or 4 of the report could be most appropriately adjusted to the valuation of contracts providing for disability income payments based upon a six months waiting period? Has anyone made a study of their experience under the six months disability clause?; (2) Should allowance be made for the fact that the experience under the income benefits is generally at the longer durations since issue?

C. (1) Is the practice of applying the rate of disability to mixed lives in the construction of monetary tables, which was introduced following the appearance of the 1926 disability report, appropriate in connection with the new report? (2) Is it practical to use a single decrement disability table for the period preceding disablement in constructing monetary tables, or, putting it another way, is it particularly helpful to include any mortality at all prior to disablement in the construction

of monetary tables? (3) Is the lapse decrement more important than the mortality decrement to warrant its consideration in the checking of the adequacy of premiums?

D. What problems arise from the use of the assumed date at commencement of disability (date of disablement) as contrasted with the use of the date at the end of the waiting period (date of disability)?

III. Surplus

A. What principles should govern the determination of the respective proportions of earnings to be allocated to policyholders and stockholders, if any, and to the following: (1) Unassigned surplus; (2) Voluntary investment reserves; (3) Group contingency reserves; (4) Sums earmarked for strengthening valuation reserves; (5) Special reserves for (a) expenses of paid-up insurance and annuities; (b) the additional mortality on ordinary term conversions; (c) anticipated losses under optional methods of settlement; (d) miscellaneous purposes; (e) currency exchange reserve.

B. To what extent should the mandatory security valuation reserve affect the level of the unassigned surplus?

C. Under what conditions is it proper to reduce surplus funds, special funds and contingency reserves?

Bankers, Nebraska, Now Writing A. & H. Covers

Bankers Life of Nebraska announced its entry into the A. & H. field at the company's general agents conference at the home office.

Bankers Life enters the field with loss of time coverages only. An A. & H. combination policy and an accident only contract are the first two types of coverage available. Additional coverages will be introduced in the near future, according to a predetermined schedule.

Presiding at the conference was C. H. Heyl, agency vice-president. H. S. Wilson, president, opened the conference with an address in which he reviewed the company's progress during the year as well as plans for the future.

Conn. Ceremony for Gilmore

Connecticut Assn. of Life Underwriters will hold a testimonial dinner for Robert C. Gilmore, Jr., new president of N.A.L.U., at Bridgeport Oct. 19. He is the first Connecticut agent ever elected to the office. Stanley J. Lonsdale of Fidelity Mutual Life at Bridgeport is chairman of the affair. H. Bruce Palmer, president Mutual Benefit Life, David B. Flugelman of New York, past president of N.A.L.U., and Charles J. Zimmerman, managing director of L.I.A.M.A., will speak.

Dakotas Actuaries Meet

Life insurance actuaries of the two Dakotas held a two-day meeting at Bismarck with Provident Life as host. Other companies represented were Western States Life, Midland National Life, National Reserve Life, and Pioneer Mutual Life.

Sept. Postal's Best Month

September was the biggest month in Postal Life's history. It was 33% better than September, 1952, and 5% larger than any previous month.

The Alvin Wolff agency made a new record for a month's production with \$760,656, making it the leading agency for the month and maintaining its lead for the year.

Equitable, N.Y., Ups Two

Equitable Society has made two actuarial appointments, naming J. A. Attwood mathematician and T. H.

Sigler superintendent of the group underwriting bureau.

A veteran of the last war, Mr. Attwood joined Equitable in 1950, serving in the actuarial department until his reentry into military service in 1952. He returned to the actuarial department after discharge. He is a fellow of Society of Actuaries. Mr. Sigler went with Equitable in 1925, becoming senior group underwriter in 1941.

Constitution Life of Ill. to Be Born of MacArthur Merger

To Save Name of Cal.

Insurer and the

Domicile of Sterling

Stockholders of Sterling Ins. Co. of Chicago are meeting Oct. 27 to take action on the proposal to engage in a merger with Constitution Life of Los Angeles. Stockholders of the latter company are meeting on this Oct. 25. Practically all of the stock of both companies is owned by John MacArthur, who is president of Bankers Life & Casualty of Chicago. The surviving company will be known as Constitution Life, but it will be an Illinois corporation.

Atlantic Alumni Assn. to Hold Management Parley

"The Philosophy of Human Engineering", a new concept in agency management, is the theme of this year's management conference of the L.I.A.-M.A. Atlantic Alumni Assn. to be held Oct. 22-23 at Rye, N. Y.

Speakers include Burkett W. Huey, director of consultations of L.I.A.M.A.; Judd C. Benson, Union Central, Cincinnati, on "Constructing the Highway to the Agent's Market"; Kenneth L. Anderson, vice-president and manager of agencies of Union Mutual, "Building the Agent's Pattern of Operation"; Richard W. Campbell, Fidelity Mutual, Altoona, Pa., "Creating the Mechanics of the Follow-Through." Harry K. Gutmann, Mutual Life, will give his philosophy of life insurance; John S. Sinclair, president National Industrial Conference Board, his philosophy of salesmanship; Anthony K. Klug, John Hancock, Rochester, his philosophy towards the manager and Louis J. Fink, Connecticut Mutual, New York, his philosophy of life.

To Discuss Federal Tax

Paul Jackson, Dallas tax attorney, will be first speaker on the fall agenda of Fort Worth Business & Estate Council. His talk, to be given Oct. 20 in the Continental Bank of Fort Worth, will embrace current federal tax matters with emphasis on recent changes in the laws.

Sets New 9-Month Record

Jefferson Standard's field force rolled up the largest volume of new business of any nine-month period in its history. The record \$122,284,520 volume exceeds production for the same period in 1952 by more than \$8 million.

Net gain in insurance in force for the first three-quarters of the year was \$75,480,504, pushing insurance in force as of Sept. 30 up to \$1,212,146,785.

Milwaukee Assn. Elects

New officers of Milwaukee Fraternal Life Underwriters Assn. are Paul G. Walter, Equitable Reserve Assn. district manager, president; Mrs. Gladys Podkomorski, Polish National Alliance, vice-president, and Mrs. Lillian M. Sharen, Degree of Honor Protective Assn., secretary-treasurer.

West Coast Leaders Hear Bright Report from W. A. Sullivan

Addresses by President H. J. Stewart and Washington Commissioner William A. Sullivan featured the annual Leaders Club convention of West Coast Life, at Harrison Hot Springs hotel, British Columbia. Theme of the five-day meeting, which also saw introduction of four new West Coast sales plans, was "Meeting the Challenge of Today's Market".

Mr. Stewart's talk, "Today's Challenge to our Leaders", keynoted the convention. He pointed out that every interview made by a club leader during the club year had been worth an average of \$70 in income received every contact had been worth \$20 and every call \$15. He emphasized the need for quality of effort as well as quantity in achieving success and predicted that a new period for America, "the return to normalcy", is offering increased rewards for greater efficiency but will tend to eliminate the marginal producer.

Mr. Sullivan sounded a promising note in declaring that although today Americans are spending less than 4% of their annual incomes for life insurance, a continuing and substantial upward trend in its purchase has become evident. About 88 million Americans now are policyholders and by the end of this year it is estimated that more than 90 million will own \$300 billion of life insurance, 1½ times as much as that owned at the end of 1948 and \$25 billion more than last year. These figures double those recorded at the close of 1945, an increase which equals the gain for the last 27 years, Mr. Sullivan said.

He broke down his favorable report in this fashion: Sales as of the end of July are running 19% ahead of last year, when they reached approximately \$34 billion, about \$5 billion above the previous year. Group sales, showing the greatest percentage increase, are 38% over last year and are estimated at nearly \$67 billion, an average of about \$2,400 per policyholder.

Continuing, Mr. Sullivan said annuities have more than doubled and today show an increase of more than \$800 million over 1942. Four million annuities now in force will provide income in excess of \$1½ billion. Premiums received in the first half of this year for life insurance and annuities totaled approximately \$4½ billion, compared to \$2 billion in the first half of 1940. Benefit payments in the same period were \$2¼ billion, \$1 billion more than those paid in 1943.

Death benefits paid out the first half of this year exceeded \$1 billion, nearly twice as much as 10 years ago, despite the fact that the mortality rate today is very close to the record low, Mr. Sullivan observed. He also noted that life companies' assets have more than doubled in 10 years, reaching \$70 billion this year.

Mr. Sullivan noted that the life insurance business has "a wonderful opportunity" to guarantee the prosperity of America and create a permanent, higher standard of living. In declaring that population is a vital factor in the business, he observed that "perhaps the most significant trend in population during and after World War II was the unprecedented migration

(CONTINUED ON PAGE 40)

Plan N. Y. Meet for Mutual Trust Life General Agents

Assn. of General Agents of Mutual Trust Life, of which Bernard Bergen of Brooklyn is president, will hold its annual meeting in New York for the first time on Oct. 14-15.

George B. Tracy, manager Midtown agency of Prudential; Jack Klein, Klein Institute of Aptitude Testing; W. A. Foster, vice-president in charge of advertising and sales promotion of Borden's Cheese; Dr. John Cotten, psychiatry instructor at Cornell University Medical College, and Lester Krugman, advertising manager of Bulova Watch Co. will speak the first day. That evening there will be a cocktail party.

The second day will be devoted to business with Raymond Olson, President of the company, talking at lunch.

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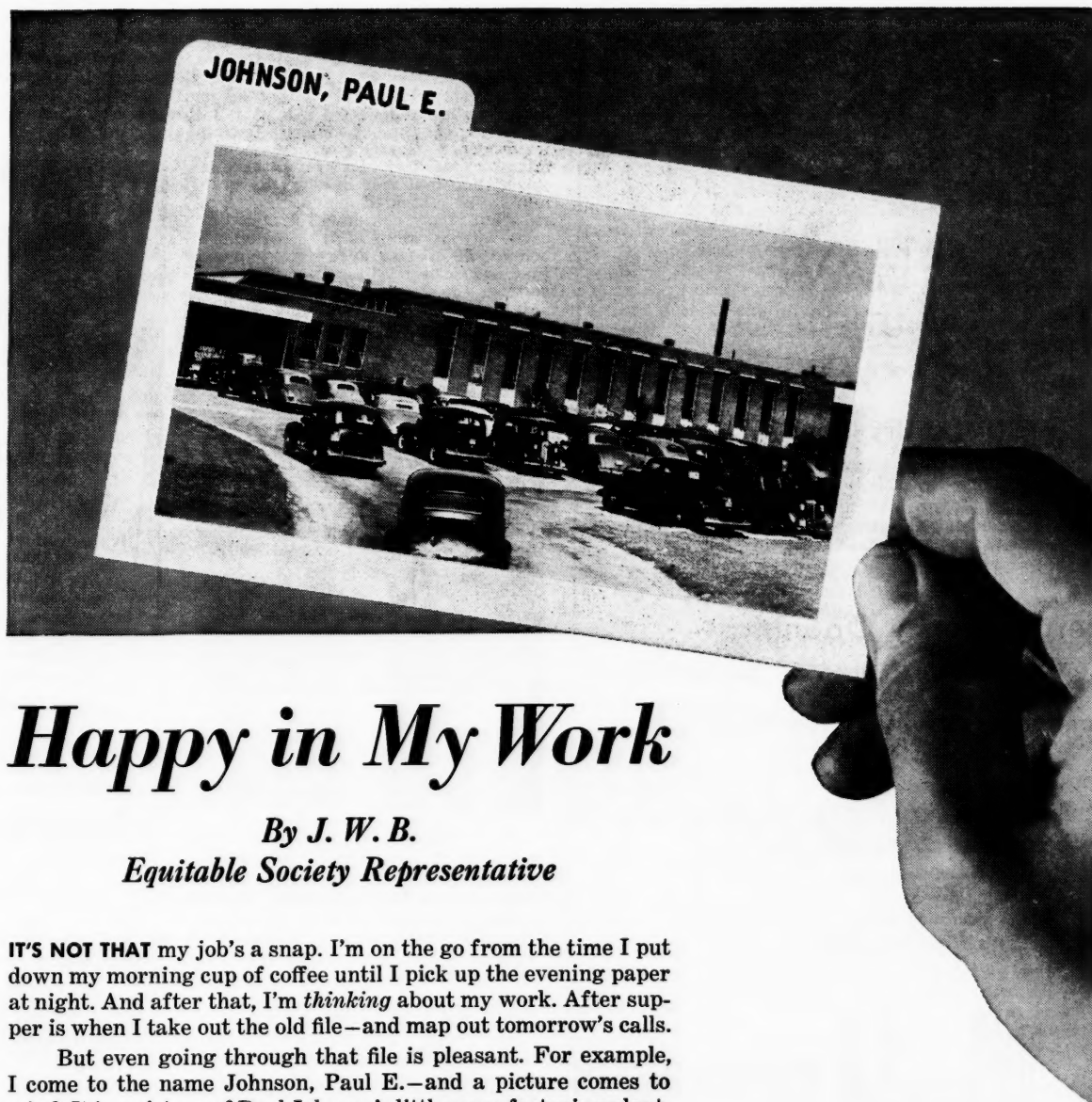
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Happy in My Work

By J. W. B.

Equitable Society Representative

IT'S NOT THAT my job's a snap. I'm on the go from the time I put down my morning cup of coffee until I pick up the evening paper at night. And after that, I'm *thinking* about my work. After supper is when I take out the old file—and map out tomorrow's calls.

But even going through that file is pleasant. For example, I come to the name Johnson, Paul E.—and a picture comes to mind. It is a picture of Paul Johnson's little manufacturing plant. That's the plant that went right on producing and paying profits even after Paul's partner died. An Equitable Business Policy saw to that.

That's just *one* card in my file. There are hundreds more. All friends of mine I've helped to find security as part of a day's work with the Equitable Society.

I earn my living working for the Equitable Society and I won't try to underestimate the importance of that. But the best thing about it is the job I do—the people I meet and help—and the knowledge that I'm working for a truly top notch company.

If ever a man was happy in his work—it's an Equitable Representative like me.

One of a series of advertisements illustrating how a representative of The Equitable Life Assurance Society serves his community by selling life insurance.

THE EQUITABLE
LIFE ASSURANCE
SOCIETY
OF THE UNITED STATES

393 Seventh Avenue, New York 1, N. Y.

IF "You"

WANT TO BUILD
AN AGENCY

"We" HAVE
THE TOOLS
AND TERRITORY

- Complete Line of LIFE INSURANCE
- ACCIDENT — SICKNESS Regular and Non-Cancelable

Special contracts:
Labor, F.E.P.A., Franchise, School Child, Group, Unit Plans.
HOSPITALIZATION — Regular and Non-Can.

General Agency Openings

ILLINOIS - TEXAS - OKLAHOMA - TENNESSEE - NO. DAKOTA

Liberal Contracts . . . Fully Vested Renewals

"A Most Valuable Franchise"

WRITE OR WIRE IN COMPLETE CONFIDENCE

A. B. OLSON, AGENCY VICE PRESIDENT

World Insurance Building

In the insurance world . . .
... It's World Insurance



World INSURANCE COMPANY
Home Office Omaha, Nebraska

Cal. Commissioner Sits Tight in Governor Change

The assumption of the governor's office in California by Goodwin Knight, following the naming of Earl Warren as chief justice of the U. S. Supreme Court, has set in motion speculation as to what if any effect this might have on the insurance commissioner, John R. Maloney, and the insurance department in general. Mr. Maloney's term runs until Jan. 1, 1955, and he has told inquirers that he is not going to resign.

The companies that comprise Pacific Insurance & Surety Conference are after Mr. Maloney's scalp and there is speculation that they may try to cause him to be unseated before his term runs out. They are down on him because of his approval of workmen's compensation insurance rating plans that are fostered by out-of-state insurers.

It is understood that the Pacific casualty group has a candidate for the commissioner's post in the person of Britt McConnell, Los Angeles attorney.

Gilmore Honor Guest at Grant Breakfast at A.L.C.

Chairman William T. Grant of Business Men's Assurance, was again host at a breakfast which has become a tradition at American Life Convention



W. T. Grant



Robert C. Gilmore

meetings. The guest of honor was Robert C. Gilmore, Jr., newly elected president of National Assn. of Life Underwriters. Mr. Grant also introduced the head table dignitaries and representatives of various insurance organizations.

Nutt, Knight Give Talks

Hal L. Nutt, director of the Purdue course, and Lendon A. Knight, president of National Fraternal Congress, were speakers at a four-day conference of field workers of Royal Neighbors of America at Hot Springs, Ark. A total of 174 persons, including 13 supreme officers, 25 state supervisors and 136 district deputies, attended. Mrs. Frances L. Torkelson, supreme oracle, presided.

Boyd Assistant Secretary

John R. Boyd has been elected assistant secretary of Texas Empire L. & A., Dallas. He joined the company last February.

N. Y. State Meeting Nov. 6

New York State Assn. of Life Underwriters will hold its fall delegate meeting Nov. 6 in New York City, to discuss educational activities, a new licensing study, etc. H. Bruce Palmer, president Mutual Benefit Life, will talk at the luncheon.

The general agents and managers conference will be held at Saratoga Springs Feb. 19-20 and the spring delegate meeting will be held May 13-14 at Rochester.

Address San Antonio C.L.U.

Among September speakers who addressed San Antonio C.L.U. chapter were Warren S. Hewitt, Northwestern National Life, and G. Archie Helland, Connecticut Mutual Life.

Mr. Hewitt reviewed developments leading to the establishment of the American College and the granting of the C.L.U. degree. Mr. Helland discussed the contribution of the C.L.U. Society to the National Assn. of Life Underwriters convention and paid tribute to Dr. Solomon S. Huebner, president-emeritus of the American College.

• Emmett H. Crowe has been named life department manager of Allen M. Reager Co., Louisville. He formerly was assistant manager for Mutual Life at Cincinnati.

Mutual Savings Life Announces

A Unique "Package"

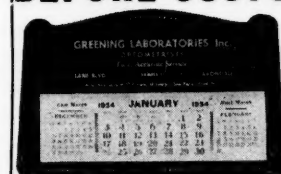
Surgical operation and dismemberment benefits may be added to most life contracts for an added premium of \$1.25 (male) per \$1,000 of insurance. With this benefit, a \$5,000 policy would provide up to \$250 per year for major surgical operations and up to \$1250 for special dismemberment losses.

Direct agency openings
in Ohio, Ind., Iowa, Ky., Miss., Mo. and Ark.

Write to J. DeWitt Mills, Supt. of Agents

Mutual Savings Life
5701 Waterman St. Louis 12, Mo.

KEEP YOUR NAME BEFORE CUSTOMERS



Gold Stamped 1954 DESK CALENDARS

Handsome, fine quality, keeps selling for you every single day. Ideal for economy-minded advertisers who want to reach customers and prospects—at low cost.

An Item That Will Be Used Constantly
This attractive, sturdy, embossed calendar will be ever-useful in offices, homes. Two-color date pads. Easy snap lock case. Stands 3 3/4" x 6 1/2". Choice of colors: Maroon, Green, Brown. Your advertisement will be stamped in gold. 4 to 5 lines maximum. Orders filled P.O.B. New York to rated concerns. Send check or money order and we pay shipping charges. Order NOW—for early delivery.

MAGNUM MFG. CO.

655 Sixth Ave., Dept. NU-3, New York 10, N. Y.

OPPORTUNITY FOR CAREER PEOPLE

If you are interested in making Life Insurance selling your career, If you want to become a Life Insurance Counsellor instead of a peddler of \$1000 policies, If you want to make more money; then write to

J. Allen Porterfield, Field Manager
EQUITABLE RESERVE ASSOCIATION
Neenah, Wisconsin

(Good territory open for men or women in Illinois, Michigan, Minnesota and Wisconsin.)

COMPLETE PROTECTION

Agency Franchises Available

JEFFERSON NATIONAL

Life Insurance Company
INDIANAPOLIS, INDIANA

ACCIDENT & HEALTH
HOSPITALIZATION
SPECIAL LIFE POLICIES

Pushing Minor Types of A. & H. May Prove Unduly Expensive, Bureau Told

A. & H. insurers could relieve themselves and the public of some of the confusion surrounding the business if they would promote the sale of modest amounts of comprehensive disability insurance rather than relatively large amounts of partial coverage, Earl M. MacRae, Occidental Life, stated in his address before the Bureau of A. & H. Underwriters at Quebec this week.

Most A. & H. men agree that replacement of loss of income because of disability is the primary form of A. & H. coverage. Yet there is a large array of other types being sold in large volume. While practically all companies offer the basic coverage, there is a marked difference as to the emphasis even between accident and sickness. Some insurers, because of unfavorable experience with sickness insurance, have not encouraged this form, but Mr. MacRae pointed out that for every day lost because of accidental injury there are at least three days lost because of sickness. "This difference in emphasis on accident insurance as compared to sickness insurance," he said, "is one thing which makes for confusion in the industry and in the minds of the public."

He went on to note that to supplement insurance designed to replace income, the business has developed a large number of specialty coverages, such as accident medical expense and hospitalization insurance. In addition, some companies issue special forms to certain occupational groups. "Have we gone too far in this direction?" he asked.

An agent who is asked to sell such a varied assortment of merchandise will not only be confused himself, but his lack of understanding will inevitably confuse his prospect, Mr. MacRae declared. It may be argued that the introduction of these new coverages which are salable is a good thing for the production force and to some extent a good thing for the business, but Mr. MacRae countered that in the effort to promote sales, the companies should not introduce additional policy forms which do not provide a basic form of coverage, but which are designed merely to attract attention.

"This practice which is common to some forms of merchandising is one which is not in the best interests of our business because of its stress on products which do not fill the real need," he asserted. "The public does not seem to object to the sales promotion of tooth paste which is stimulated by a periodic introduction of new chemicals, but ours is an industry which loses more than it gains by these methods."

Stating that he did not mean to imply that such added coverages are of doubtful value, Mr. MacRae said they are useful only to the extent to which they supplement the basic coverage which provides for replacement of income. However, these supplementary forms are becoming more and more widely sold as separate policies.

"In the case of some of these coverages, we are not selling true insurance," he said. "We are selling prepaid medical care. If we agree that our main objective is the sale of time-loss indemnity, then the sale of these added coverages diverts us from our main objective. By such sales, we are taking the line of least resistance and we are neglecting our responsibility to provide

basic disability insurance. Instead of offering a quality product, we are offering a partial substitute which is easier to sell because it costs less."

He mentioned hospital and surgical insurance which covers the first dollar of expense as an example. The rapid growth of this form is not a cause for jubilation, since it is really prepayment of expenses for which the normal family can budget. Even though this is inherently a simple form of insurance, Mr. MacRae said misunderstanding arises particularly in connection with surgical fees under which some \$100 schedules allow the maximum fee for only a few operations while others allow the top fee for most major operations. This makes a great difference in the comparative cost of surgical schedules, but the customer cannot be blamed for being confused when he compares the widely different prices of two articles which on the surface appear to be the same.

The contract itself is open to criticism, Mr. MacRae remarked. Because the average person is unfamiliar with the principles and practices of insurance, the idea would seem to be that the contract should be phrased in the simplest language possible; yet A. & H. contracts are far from simple.

When he began to gather material on this subject, Mr. MacRae looked over a number of policies. The first

(CONTINUED ON PAGE 12)

Powell Again Heads Economics Society

James E. Powell, vice-president Provident Life & Accident, was re-elected president of Insurance Economics Society at its annual meeting at Chicago. Travis T. Wallace, Great American Reserve, was elected 1st vice-president; E. W. Craig, National Life & Accident, 2nd vice-president, and H. O. Fishback, Jr., Northern Life, re-elected secretary. Elected to the executive committee were T. P. Beasley, Republic National Life; W. G. Alpaugh, Inter-Ocean; V. J. Skutt, Mutual Benefit H. & A.; A. D. Johnson, United, and Frank L. Harrington, Paul Revere and Massachusetts Protective. E. H. O'Connor, managing director, reviewed 1953 legislative developments.

Hold N. W. Mutual Western Regional at San Francisco

Eleven general agencies of Northwestern Mutual Life held an all-western regional meeting at San Francisco. Featured on the program was a report from the home office, presented by President Edmund Fitzgerald.

Other home office participants were Grant L. Hill, vice-president and director of agencies; Roe Walker, superintendent of agencies; Dr. G. F. Tegtmeyer, medical director; Laflin C. Jones, administrative assistant; Robert E. Templin and Charles B. McCaffrey, assistant directors of agencies.

The meeting was attended by representatives of the agencies of J. S. Kerns, Sacramento; P. E. Demeter, Oakland; J. R. Mage, Los Angeles; R. J. Shipley, San Francisco; R. W. Stockton, San Diego; H. F. Vinson, Phoenix, Ariz.; S. C. Young, Salt Lake City; B. B. Boyd, Spokane; J. F. Habegger, Seattle; L. J. Evans, Portland, Ore.; and Ray M. Wagoner, Boise, Ida.

General Agents G. E. Morrison of Indianapolis and J. Lowell Craig of

Milwaukee were guest speakers. Chairman was Loring O. Felch of Oakland.

Consulting Actuaries Reelect Everybody

All officers were reelected at the Chicago meeting of Conference of Actuaries in Public Practice. President is Edward D. Brown, Jr.; vice-president, Harley N. Bruce; secretary, Donald F. Campbell, Jr., and treasurer, Harry S. Tresselt, all of Chicago. Joseph Froggatt, Jr., of Los Angeles continues as editor. Elected a director to fill the unexpired term of Jno. A. Copeland, Sr., of Atlanta who died, is William E. Groves of New Orleans.

Sen. Dirksen of Illinois was the dinner speaker discussing the causes of the increasing disbursement curve of the federal government and the threat it carries to the various forms of security devices the people currently hold.

Revere Producers Continue Regional Sales Seminars

Leading producers of Paul Revere Life are attending two-day regional sales meetings which will continue through Oct. 13.

More than 400 qualifiers comprise the groups at Bretton Woods, N. H.; Pocono, Pa.; Savannah, Ga.; Edgewater Park, Miss.; French Lick, Ind.; Sun Valley, Excelsior Springs, Mo.; Las Vegas and Fort Worth.

Introduction of new key man disability presentation material and a new preferred risk life plan are featuring the seminars, conducted by Harland L. Knight, agency vice-president; Robert P. Hallock, Jr., superintendent of western agencies, and Charles B. McKenzie, superintendent of south-central agencies.

Savings Bank Life Units Hold Connecticut Meeting

Mutual savings banks offering life insurance held their annual sales conference on savings bank life insurance last week at Lakesville, Conn., sponsored by Assn. of Life Insurance Department Managers of Connecticut. Approximately 60 representatives from 21 savings banks in Connecticut attended.

Speakers included George W. Salzer, advertising manager Resolute Ins. Co., Hartford, "Direct Mail Sells Insurance"; Theodore A. Johnson, New York City, "Your Telephone and Your Bank's Public Relations"; Sidney Edlund, New York City sales consultant, "Sales Training As Salesmen Like It". Panel discussions and an open forum considered the use of visual sales presentations, sales correspondence, and planned insurance promotion.

Savings bank life insurance in force in Connecticut reached \$21,959,774 as of Sept. 1. Thirty-five mutual savings banks in the state now sell savings bank life insurance.

Hike Kansas Assn. Dues

A dues increase of \$1 per member was unanimously approved at a meeting of the Kansas Assn. of Life Underwriters board at Manhattan. This increases dues payable to the state association to \$3 per member.

Set Marsh Forum for Oct. 26

J. D. Marsh & Associates of Washington has scheduled its annual estate planners forum for Oct. 26. Lecturers will be Laurence J. Ackerman, dean of the school of business administration at University of Connecticut; Denis B. Maduro, New York attorney; Martin R. Gainsbrugh, chief economist of National Industrial Conference Board, and Isidore Goodman, New York attorney and C.P.A.

Hear Day at Chicago

Says Military Sales Rules Run Counter to Regulatory Theory

The recently issued regulations governing sales on military bases run counter to the whole pattern of insurance regulation, J. Edward Day, former Illinois insurance director who now is associate general solicitor of Prudential, told a luncheon meeting of Chicago group supervisors.

Because of the many complaints concerning such sales, it became apparent that some action was necessary and many solutions to the problem were put forth, Mr. Day said. Though National Assn. of Insurance Commissioners advocated regulation at the state level, the federal government decided it would assume the responsibility.

This led to the issuance of detailed regulations by the Defense Department he related. Subsequently, the army, navy and air force each got up its own set of regulations, making provision for base commanders in turn to draw up their own rules to fit particular situations. There even is the possibility, he said, that the various units of a base can get up additional rules.

While the federal government rejected the suggestion the problem be solved by banning all sales on military reservations, Mr. Day said this may be the actual result on some bases because of the lack of uniformity and the complexity of the regulations.

Mr. Day complimented the various insurance departments for the attitude taken in the regulation of group insurance, especially on large, interstate contracts. Where an interstate group contract complies with the law of the issuing state, other insurance departments generally consider this to be sufficient approval.

Actually, Mr. Day said it doesn't appear that cases support this view. Other states conceivably could exercise regulatory powers over details of a group contract extending into their province. It is fortunate, the speaker added, that states haven't attempted such regulation. He attributed this, at least in part, to the negligible number of abuses in the group business.

Agitation for licensing as agents those persons handling enrollments of groups is one of the foremost problems of the group man, according to Mr. Day. Still, he added, no state yet has adopted this view.

Mr. Day said he did not endorse the plan Blue Cross and Blue Shield are setting up to compete with commercial companies for large groups extending into several states. He mentioned that these organizations recently formed a regular, commercial stock insurance company, which in effect, is to act as an enrolling agent. An average rate and benefit is to be worked out and coverage assumed by local Blue Cross-Blue Shield units where it conforms with their operations. The speaker said he does not believe this plan fits in with the tax-exempt status of Blue Cross-Blue Shield.

Ariz. Insurer Offers Stock

National Life & Casualty of Phoenix has asked SEC for registration of 900,000 shares of \$1 par common stock which it will offer at \$1.91 to buyers of so-called charter life policies prior to last July 1 and to new policyholders at an initial subscription price of \$3.95 per share.



"Mind if I hang this calendar right under the clock—We find it gets more attention there!"

Bankerslifemen Seek and Get Attention

Whether it is a preferred position for a calendar or adequate time in an interview, Bankerslifemen seek and get attention.

The quality of materials they use in presenting attention-warranting proposals is a real aid to these Bankerslifemen. In addition, the soundness of their proposals in the values in the contracts they present justifies the attention they seek.

The fact that Bankerslifemen earn attention is just one more reason they are the kind of life underwriters you like to know as friends, fellow workers or competitors.

BANKERS Life COMPANY
DES MOINES, IOWA

Let's talk

A few days ago we were surprised to receive a letter which said, "Years ago I used to get the R & R Magazine. Do you still publish it?"

The R & R Magazine is now in its 25th year. Prior to that it was titled "The Research & Review News." First issue of the News was published in 1920. Mansur B. Oakes was Managing Editor; Paul Speicher, Associate Editor. The subscription rate was \$2 a year and then, as now, the magazine carried no advertising.

Now, nearly 34 years later, the R & R Magazine continues to be the most widely quoted life insurance magazine published—and the subscription rate is still only two dollars a year.

May we send you the next 12 issues?



THE INSURANCE RESEARCH & REVIEW SERVICE

Hilbert Rust, C.L.U., President

INDIANAPOLIS

Cheek to Resign as N.C. Commissioner

RALEIGH, N. C.—Commissioner Cheek is resigning, it has been learned from reliable sources, effective when Governor Umstead names a successor.

The governor has been somewhat slow and cautious in past appointments to major state offices, so that it may be some weeks before Mr. Cheek is relieved. There has been no indication who might be under consideration for the post.

Mr. Cheek, it is understood, is to become associated with insurance interests in the state. Although he has not officially confirmed the resignation, he said, in reply to a question, "I haven't resigned yet. I might at any time."

He was appointed commissioner in 1949, when W. P. Hodges resigned to join Continental Life as comptroller. He was elected in 1950 to the remainder of the term and in 1952 to a full four-year term. His successor must run in a general election next year for the final two years of this term.

State Capital Life made some tentative gestures toward Mr. Cheek about two years ago, but the move fell through and there has been no indication of any resumption of these negotiations.

State Mutual to Hold Four Non-Can Briefing Meets

State Mutual Life has scheduled four A. & H. regional conferences to be conducted during October by a team of home office specialists. All general agents and managers will receive advance briefing at the three-day meetings about the company's new series of non-cancellable A.&H. contracts that will be announced in November.

Conferences will be at the Hotel Sheraton, Worcester, Oct. 14-16; Biltmore hotel, New York City, Oct. 19-21; Hotel Knickerbocker, Chicago, Oct. 22-24, and the Biltmore, Atlanta, Oct. 26-28.

Participating from the home office in one or more conferences will be: H. Ladd Plumley, president; Robert H. Denny, vice-president; Joe B. Long, superintendent of agencies; George Paul Smith, agency secretary; Glenn O. Mulvey, assistant superintendent of agencies; Charles W. Earnshaw, training director; Donald G. Mix, sales promotion manager; Walter I. Wells, director of the A.&H. branch; Byron S. Davis, manager of A.H. underwriting department, and Robert G. Hill, manager of A. & H. claim department.

Tex. Commissioner Problem

The death of George B. Butler, who was life insurance commissioner of Texas and vice-president of N.A.I.C., has now brought the political spotlight also on the office of the Texas fire insurance commissioner, Paul H. Brown, who holds that office, has been in a coma since he suffered a stroke last February. In view of the fact that one of the insurance commission posts has to be filled because of death particular attention has been directed to Paul Brown's problem. Mr. Brown is in McCloskey hospital at Temple. The attorney general's office has done some preliminary research on the matter and it is reported that indications are that unless Mr. Brown regains consciousness and resigns voluntarily, he can be removed only by impeachment. They decided it was doubtful whether Mrs. Brown could resign for him. The appointing power in Texas apparently may not remove an appointee that is named for a fixed term. His term does not expire until Feb. 10, 1955.

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PHILADELPHIA

Racketeer Influence Said to Be Rare in Union Group Cases

NEW YORK—In spite of lurid publicity linking union welfare funds with some of the nation's biggest racketeers, insurance executives who are familiar with union group cases say that actually there is extremely little that is questionable in this field. Most of the blame is put on high commissions paid to union officials or their stooges in order to get a controlled line of business. Where the commissions are kept moderate, there is said to be so little attraction for the racketeers that they don't get into the picture.

This doesn't mean that commissions may not find their way back to union leaders or the union itself, but that is not regarded as an evil by most of the realistically minded group executives. The commissions may go to an agency of which the stock is owned by the union's head.

"But," said one group man, "is that any worse than paying the commission to an employer's brother-in-law? Neither the union head nor the employer's brother-in-law do anything to earn the commission because these cases are far too complicated for them to be able to do anything but get in the way. Yet under the New York anti-rebate law a commission has to be paid to somebody."

"On the other hand, if we paid no commission we'd be competing with our own field forces and helping to break down the agency system. It may seem inconsistent to pay commissions to someone who hasn't earned them but it would be even worse to do something that would undermine the agency system."

W. G. Heppert Retires After 30 Years With Prudential

William G. Heppert, who is retiring as district manager for Prudential at Green Bay, Wis., was honored at a luncheon marking his 30 years with the company. He joined Prudential at Milwaukee in 1923, became assistant manager three years later and was promoted to manager at Green Bay in 1932.

Orville E. Beal, vice-president, and Peter C. Zimmer, director of agencies, were speakers at the luncheon. Under the management of Mr. Heppert, volume of business at Green Bay grew from \$17 million to \$44 million.

Klem Aiding Defense Dept.

Walter Klem, senior vice-president and actuary of Equitable Society, has been appointed by President Eisenhower as a member of a three-man board that will help the Defense Department formulate a basis for pensions to widows and children of retired service men. Mr. Klem, a commander in the navy reserve, served in the Pacific during the second war on the aircraft carriers Essex, Yorktown and Lexington. Other members of the board are the chief actuary of the social security administration, Robert J. Myers, and the federal government actuary. The latter post is currently vacant.

N.Y. Life Agency Holds Seminar

DAYTON—Business insurance and its importance and value to the business man were discussed during a three-day seminar for New York Life agents, with Michael McKenny, mana-

ger, and Joseph D. Herring, consultant in the company's advanced underwriting division, conducting the discussion. Taxes, as they affect businessmen's properties, also were discussed at the meeting of 60 agents from Indianapolis, Columbus and Cincinnati, along with those in the Dayton agency.

State Mutual 2½% Discount

State Mutual Life now allows 2½% discount on all premiums paid in advance. This liberalization applies to all plans of insurance and retirement annuities up to a maximum of \$100,000 in advance premiums on any on life.

Await Unveiling of Ariz. Code Recommendations

Robert D. Williams, Seattle attorney who has been engaged to draft a proposed insurance code for Arizona, expects to be in that state Oct. 25. Most of the sections of the code, it is expected, he will have ready by that time. He will be on the program of Arizona Assn. of Insurance Agents, which meets Oct. 26-27. The Arizona legislature meets every year, and hence the code measure will go into the hopper early in 1954, it is expected.

There is a lot of sentiment developing in favor of establishing a separate

state insurance department in Arizona instead of having the present bobtailed arrangement whereunder insurance supervision is simply a division of Arizona corporation commission. The proposal is likely to be for a new independent department for both insurance and banking. There would be a commissioner of banks and insurance to replace the existing superintendent of banks and director of the corporation commissions insurance bureau.

The hearing that had been scheduled for Oct. 12 before the senate insurance committee on complaints about insurance practices has been called off.



See How the New Manhattan Life JUVENILE POLICIES Offer Important PLUS Features

It's BRAND NEW and DIFFERENT!

Progressive Juvenile Endowment

provides benefits all through life.

(Example based on one unit of P.J.E. Policy)

1) Benefits before Age 15 depend on which of 5 plans is selected.

2) Benefit Ages 15 through 17: \$1,000, then starts increasing at 18.

3) Between ages 18 and 21 here's what happens:

Age	Benefit	Age	Benefit
18	\$2,000	19	\$3,000
20	\$4,000	21	\$5,000

Premium remains fixed. Never changes.

4) Between Ages 21-65:

\$5,000 Benefit Continues.

5) At Age 65: A choice of:

a) CASH ENDOWMENT OF \$5,000 PLUS ANY ACCUMULATED DIVIDENDS.

b) Monthly income for life.

c) Paid-up participating whole life policy plus cash.

Besides Progressive Juvenile Endowment, Manhattan Life has

9 Other Juvenile Endowments

Endowment at 17	Endowment at 21
Endowment at 18	10 Year Endowment
Endowment at 19	20 Year Endowment
Endowment at 20	Endowment at 65
20 Payment Endowment at 65	

Ask about the 2 New Options at Age 20 in the Revised

College Education and Endowment-Annuity Policy

An all-life plan providing 4 EDUCATIONAL PAYMENTS plus insurance protection and retirement income.

IN its new Juvenile Policies, The Manhattan Life offers to acceptable purchasers two all-important optional "Extras" that add up to complete juvenile insurance.

1) MONTHLY INCOME FOR THE BENEFIT OF THE CHILD in event of the death of the purchaser. Income extends to and including the Age 25 anniversary, or during the premium period if shorter.

2) ALL PREMIUMS WAIVED up to the Age 25 anniversary, or maturity of the policy if prior to that age, in event of death or total and permanent disability of the purchaser.

Either, or both, of these optional extra features now available for a small additional premium to insurable purchasers of any Manhattan Life Juvenile Plan.

Waiver of Premium on Child Automatically Included

With any Manhattan Life Juvenile Policy, there is automatically included without specific extra charge the Waiver of Premium Benefit on the insured child. This means that between ages 5 and 60 should the insured child become totally and permanently disabled, premiums on the basic policy will be waived.

All MANHATTAN LIFE JUVENILE POLICIES are Participating

Wide choice of settlement options at maturity including a) Cash plus any dividends left to accumulate. b) Monthly income for life or for a specified number of years. c) A paid-up participating whole life policy plus cash. Still other options may be selected.

Our 2nd Century

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of New York

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That's why Berkshire Life provides 114 Adult and Juvenile Life and Accident & Health policies and riders to take care of the three most vital problems: death, disability and old age.

For Example Featured Juvenile Plans:

- **Progressive Security** — basic sum increases 5 times at Age 21 — level premium. Ultimate at Age 1 and Age 5
- **Educational Endowments**
- **Return Premium** — Ultimate at Age 5 and Age 15
- **Payor Death & Disability Benefits**
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BROKERS AND SURPLUS WRITERS are invited to write for full information about the many unusual sales opportunities with Berkshire Life's complete portfolio of personal insurance.

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Pertinent Statistics



JANUARY 1, 1953

Insurance In Force	Over \$669,000,000
Assets	Over \$158,000,000
Benefits Paid Since Organization	Over \$ 69,000,000
Certificates In Force	Over 449,000

Aid Association for Lutherans

Legal Reserve Fraternal Life Insurance
Home Office: Appleton, Wisconsin



Three members of the Yates-Woods agency of Massachusetts Mutual Life at Los Angeles are serving agent organizations there this year in official capacities. From left, Richard L. Van Cleve, president of Los Angeles Quarter Million Club; Edward Neisser, president of Los Angeles Assn. of Life Underwriters, and Robert L. Woods, president of Los Angeles C.L.U. chapter.

Innovations Feature New Manufacturers Home Office

The result of seven years of building research went on display when Manufacturers Life held a tour of its head office building for policyowners and general public in the Toronto area.

Starting in 1946, Manufacturers began to make surveys of modern office design in the U. S. and Canada. Company officials, and those responsible for the design, toured many North American centers to examine developments in this field, the result of this effort being evident in the new 11-story structure. The original head office, built in 1925, has been completely renovated to put all office space on the same standard.

A unique air conditioning system is an example of the many forward-looking features incorporated into the new building. The drafts normally associated with air conditioning have been eliminated. Heat is supplied in winter and removed in summer by means of water circulating behind panels under the windows and in the ceiling. The system removes heat generated by the lights before it penetrates office areas. The overall result is a completely controlled indoor climate all year round.

Some of the other innovations are an automatic vertical mail conveyor system for distribution of mail and inter-office correspondence; an electronic computer that solves complicated insurance problems in a matter of seconds; an autotronic elevator system; instant-start fluorescent lighting; a lounge on the main floor, and a completely equipped health center.

Manufacturers recently celebrated the 50th anniversary of its entry into the U. S.

Dr. Ziporyn New Medical Director of Bankers L. & C.

Dr. Marvin Ziporyn has been appointed medical director of Bankers Life & Casualty. After graduating from Chicago Medical School, Dr. Ziporyn was for a time with U. S. Public Health Service and later active in industrial medicine.

Father and Son Leaders

A Pittsburgh father and son combination carried off top Ohio State Life production honors in September. A. E. D'Emilio led all Ohio State personal producers during the month and the son, who has the same name, was designated manager of the month.

The senior Mr. D'Emilio last month also marked his 28th year with the company. For several years he was manager at Pittsburgh until he decided to return to personal production and was succeeded in that post by his son.

Agents! Do You Want--

✓ Large Commissions

✓ Steady Renewals

✓ Standard Policies

(rates and provisions competitive with every old line legal reserve life company in the U. S.)

✓ Special Policies

(two of them, both sure-fire best sellers.)

✓ Established Territories in the South

✓ Brand New Territories in Texas and Oklahoma

✓ A Sound Company

National Equity Life has operated in the South for 28 years, and is now expanding into Texas and Oklahoma.

This may mean unusual opportunities for you.

Write today for full information.

NATIONAL EQUITY LIFE INS. CO.

Little Rock, Arkansas

C. E. LOWRY, President

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Lasts a Lifetime!

Keep clients and prospects thinking of you—with a gift they'll all appreciate. This handy, attractive portfolio keeps policies and important papers safe and orderly.

IDEAL CHRISTMAS GIFT AND GOOD WILL BUILDER
Black, 3-fold cover of durable TEXON. Plastic strap cannot tear or break. Contains 10 heavy lined envelopes with record form printed on each. Approximate size when closed 5 1/2" x 11".

PRICES
Single Sample Portfolio...\$1.25 per 12 to 49 Portfolios...only \$54.50 or more Portfolios...only \$14.50 Folding Cartons (not inserted). \$6.50

Minimum order 1 doz. Orders filled F.O.B. New York to rated concerns. Send check or money order and we pay shipping charges. Order now—for early delivery. Please send remittance with sample order.

NO EXTRA CHARGE FOR GOLD STAMPING your firm's name, address, etc., on orders of 25 or more. Imprint will be at bottom of Portfolio cover. 4-line maximum. IT PAYS TO KEEP YOUR NAME BEFORE YOUR CLIENTS.

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FOR THE
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"Say it" on Fox River cotton-fiber paper, and it will always be there! Cotton-fiber assures permanence for policies, special settlements, office forms, all vital correspondence. Hardest file-handling hardly shows. Stays white for years... has that currency-feel that makes an impression of stability. Ask your printer for bond, onion skin, or ledger samples... or write FOX RIVER PAPER CORP., Appleton, Wisconsin. Makers of fine papers since 1883.

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Life Market Ripe, Cummings Tells Mich. Managers

LANSING, MICH.—There is still a vast potential market for life insurance, Harold J. Cummings, president of Minnesota Mutual Life, told an agency management conference at Michigan State college here, sponsored by Michigan Life Agency Management Assn., the college business and public service schools and continuing education service. More than 100 managers attended the sessions, presided over by William Milligan, Manufacturers Life, Detroit, president of the state managers' group.

Mr. Cummings noted that it would take twice as much insurance as is now in force merely to provide the average widow two-thirds of the average American family's income until children reached age 18.

G. D. Hansen, Western & Southern, Grand Rapids, said morale boosting throughout an agency must come from the top down and its elements are: sincerity, recognition, interest and sound teaching skills.

Ray Johnson, vice-president of New York Life, substituting for Dudley Dowell, also a vice-president of that company, outlined the attributes of a "good shop". He said these include: leadership, man-building, sound supervision and training and vision. These must come from the manager, he said, adding that selection of good agents is the manager's first duty and he must be ruthless in post-selection.

There has been excessive emphasis in the past on recruiting of new men into agencies, William E. Hays, Boston general agent of New England Mutual Life, asserted. He said size and volume are manifestations of growth but not of real growth. He stressed "qualitative" growth and urged elimination of the marginal man.

Carl B. Devol, Jr., Great-West manager at Grand Rapids, substituting for Judd C. Benson, Union Central Life, Cincinnati, outlined an organizational program. "Tell the new man in writing," he advised, "what he will do during training and tell him what you will do. Then see that both of these goals are lived up to."

Carl Strong, coordinator of insurance training at the college continuing education service, also spoke on the requisites for good agency morale, and Charles Irvin, also of the college staff, observed that when a person takes the role of a speaker he should always ask whether he has earned the right to discuss his subject.

Penn Mutual Officers Honor 19 First-Year Producers

A program to honor first-year members of the President's Club for New Organization was held at the home office of Penn Mutual in Philadelphia.

President Malcolm Adam was host and the following home office executives participated: D. Bobb Slattery, vice-president and superintendent of agencies; Frank S. Pulver, director of sales promotion, who conducted a session on sales promotion and the use of direct mail; Aaron M. Royal, field training manager, who presented an outline of business insurance; John M. Huebener, vice-president and supervisor of applications; Charles E. Rickards, actuary; and Edmund M. Randolph, assistant director of new organization.

Invited from the field to address the beginner group were Maurice R. Coulson, Wichita, who discussed planning and achieving million-dollar produc-

tion, and Joseph Gadala, Grand Rapids, who declared one's future in life insurance is unlimited if progress is planned soundly.

Of the 19 new producers, these two came in for special honors: August J. Mara, San Francisco, and William W. Crouse, Jr., New York City. The entire group was entertained at Atlantic City following the reception at Philadelphia.

• Don L. Coe has been appointed to the field training staff of Mutual Life of New York. Mr. Coe joined the company in 1948. He is a navy veteran.

Sales Conference Held by Massachusetts Mutual

Forty group field representatives of Massachusetts Mutual, attending a sales conference at Rye, N. Y., heard addresses by President Leland J. Kalmbach, Vice-presidents Richard C. Guest and Charles H. Schaaff, Group Secretary Charles G. Hill, George W. Steinbach, director of group sales, General Agent Earl C. Jordan, Chicago; George E. Hopkins, assistant group sales director, and Neil Oliver, regional New York manager.

At the four-day session were discus-

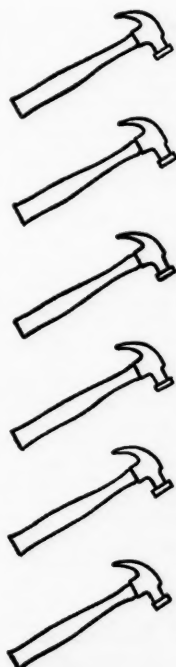
sions on underwriting association business, negotiated health and welfare plans, renewal underwriting, dividends and retentions on smaller groups, pension trust and group pensions, sales promotion media, and development of agents and brokers along group lines.

Mr. Hill introduced the new "10 to 24" package plan of group benefits for employees of small firms and their dependents. The plan was explained by Bruce M. MacFarlane, group field service manager.

The annual "group man of the year" plaque was awarded to Rauland C. Fischer, group representative, Chicago.

MIDLAND MUTUAL'S Prosperity Contract BETTER

For Building YOUR OWN Financial Security



Expense-Free Compensation
Compensation plan is separate from expense. Overridings—1st year and renewal—are yours!

Vested Overriding Renewals
Easy-to-attain qualifications entitle you to your renewals whether you live, die or quit.

\$10,000 Preferred Risk Contract
Attracts many new clients.

New Income Protection Rider
Adjusted to every need, 10 to 50 years, convertible to permanent forms.

New Brokerage Contract
For Life Men. Top commissions, plus 1st year expense allowance and fully vested renewals.

Result-proven Direct Mail
... and other unique sales plans. Make even new agents immediate producers!

Write for for full details on our Prosperity Contract, if you've had some successful insurance experience and are 28 to 50. Address: Russell S. Moore, Manager of Agencies.

gives You TOOLS

Other Benefits To Agents and General Agents

- Liberal 1st-year commissions
- Monthly expense allowance
- Extra 2nd and 3rd year commissions (Agents only)
- Continuous service fee after vested renewals expire
- Attractive retirement plan
- Success-proven training plans
- Group life for career men

TERRITORIES OPEN:

Agency opportunities are open in these states

OHIO	INDIANA
PENNSYLVANIA	MICHIGAN
NEW JERSEY	ILLINOIS
WEST VIRGINIA	IOWA
KENTUCKY	CALIFORNIA
NORTH CAROLINA	

The MIDLAND MUTUAL Life Insurance Co.,

250 E. Broad Street, Columbus 16, Ohio

BEST REASONS FOR A BEST SELLER

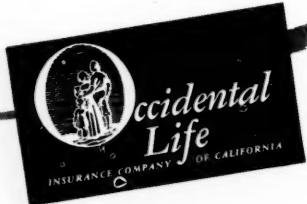
WHEN A NEW POLICY like our Multiple Benefit Savings Plan becomes our seventh best seller in less than a year, there's a good reason.

This endowment-type contract helps you save money when you can, without requiring you to do so when you can't.

Multiple Benefit endows if you wish it to. Or if you die before endowing it, pays the face amount *plus* everything you have paid in and not previously withdrawn. Or at maturity date, it may be exchanged—without evidence of insurability—for paid-up life. Or it may be continued as life protection for a reduced premium—again without evidence of insurability.

These and other flexible features explain why this plan became an immediate favorite with buyers. Ask any Occidental underwriter.

"A Star in the West..." ☆



HOME OFFICE: Los Angeles
W. B. STANNARD, Vice President

"WE PAY AGENTS LIFETIME RENEWALS... THEY LAST AS LONG AS YOU DO!"

THE COUNTRY'S MOST FRIENDLY COMPANY OFFERS...

- Modern and attractive agent's and general agent's contracts to those looking for a permanent connection.
- Complete line of Life Insurance policy contracts from birth to age 65 with full death benefit from age 0 on juvenile policy contracts.
- Complete line of Accident and Health policy contracts with lifetime benefits.
- Individual Family Hospitalization contracts with surgical, medical and nurse benefits.
- Complete substandard facilities.
- Educational program for fieldman.

Strong, Progressive Company
Older than 85% of all legal reserve life insurance companies

COMPANY'S EXPANSION PROGRAM OFFERS
Openings in California, Illinois, Indiana, Kansas, Michigan, Minnesota,
Missouri, Nebraska, New Jersey, North Dakota, Ohio and Wisconsin

**NORTH AMERICAN LIFE INSURANCE COMPANY
OF CHICAGO**

C. G. ASHBROOK, EXECUTIVE VICE PRESIDENT
NORTH AMERICAN BUILDING, CHICAGO 3, ILLINOIS

ACCIDENT

Health Council Reports Progress at N. Y. Parley

Health Insurance Council at its fall meeting at New York noted favorable progress in its program among doctor and hospital groups. Charles A. Siegfried, Metropolitan Life, chairman of the hospital insurance committee, reported that continuing effort is being made in hospital relations projects, and mentioned the efforts to obtain uniform claim reporting forms for group and individual hospital coverages.

The individual hospital plan at Columbus is working to the satisfaction of the hospitals as well as the companies and policyholders, it was reported.

Prepaid plans developed by state medical societies in Wisconsin, Tennessee, Georgia and Rhode Island, are going well, according to Wendell Millman, New York Life, chairman of the prepaid plan committee. He said the Tennessee plan has more than 500,000 persons enrolled.

The newest council committee, that on information and publications, has completed the draft of a "hand-book" on A. & H. insurance. J. W. Scherr, Jr., Inter-Ocean, is chairman of this group.

AMA President Criticizes Theory of HIP Clinic Plan

A proposal by a representative of Health Insurance Plan of New York City to establish a similar setup in Milwaukee has been criticized by Dr. Edward J. McCormick of Toledo, president of American Medical Assn., who asserted that under HIP the patient does not have free choice of physician and that the plan amounted to a monopoly.

The HIP representative had told a group of labor leaders that although the state medical society would object to such a plan, American Medical Assn. has not taken a stand against it. However, the New York Medical Society has officially disapproved of HIP.

Dr. McCormick went on to say that HIP has a tendency to remove the competitive factor.

Plan 25-Year Party

Washington Assn. of A. & H. Underwriters on Oct. 15 will have its 25th anniversary meeting at Seattle, at which the living founders of the association will be honored.

The affair is to be limited to 100 invitations to those now actively engaged in the business. Dwight Mead, Pacific Mutual Life, the first president, later a president of International Assn. of A. & H. Underwriters, will act as toastmaster and principal speaker. The Washington association is one of the oldest A. & H. groups in the country, and was organized before the International.

Associates Life, Associates Income Start in Indiana

Two new insurers have been formed at Indianapolis by Fidelity Associates Underwriters which will serve as the sales organization for each.

Associates Life will write life business only, with Associates Income writing disability covers. Each has capital of \$100,000 and surplus of \$50,000, the minimum required under Indiana law. Capital and surplus of both companies



Broad Protections

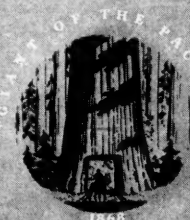
CHESTER ASHFORD, McFarland, Calif. was Pacific Mutual's 1952 National Production Champion and is a Life Member of the Million Dollar Round Table. "When I came to Pacific Mutual six years ago," says Chester, "experience in welfare work had opened my eyes to a man's real needs. Pacific Mutual's broad protections—Life and Disability—give me all I need to meet those needs completely."



**Pacific
Mutual**

LIFE INSURANCE COMPANY

HOME OFFICE
LOS ANGELES, CALIFORNIA



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RETIREMENT PLANS - GROUP

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were put up by Fidelity Associates. All three organizations have headquarters at 802 Board of Trade Building.

Walter E. Jackson is president of Fidelity Associate Underwriters. J. J. Schoen is president of Associates Life and D. T. Jackson, president of Associates Income.

Criticizes Agent-Broker Setup in Handling of Association Group

Life and A. & H. companies writing through agents and brokers are slowly but surely eliminating themselves from the association group field, Donald L. Dunham, manager of the retirement, safety and insurance department of National Rural Electric Cooperative Assn., said in a talk before the International Insurance Conference of Cooperative League of the United States at Evanston, Ill.

Mr. Dunham contended that because of inadequate group insurance instruction, many agents and brokers do not know how to service and keep alive a group program. The agent-broker system generally necessitates the centralized payment of claims either through the national office of the insured association or the head office of the insurance company, thus making cumbersome and difficult entry of patients in the hospitals, especially in competition with Blue Cross.

Broker of record contracts with a broker or one agent eliminates incentive in all other areas, Mr. Dunham went on. In this way, he said, a company loses its ability to serve properly a national association group life and A. & H. program. He gave as an illustration of this the switching of the A. & H. features of Rural Electric Cooperative's welfare program from an agency to a direct writing company. In 13 months the premium volume increased from \$76,000 to \$250,000 although it had taken four years under an agency company's operation to secure the first \$76,000.

Mr. Dunham said the only answer lies in the distribution of service credit for a portion of commission to agents throughout the country, plus better information on the part of agents about association groups. To operate a national association's group program successfully, Mr. Dunham said both the association and the insurer must constantly be on the alert to assist the small units at the local level and not think in terms of one national home office to the other.

Plan Group A. & H. Seminar

Bureau of A. & H. Underwriters will conduct a seminar on group A. & H. insurance at New York next Feb. 2-3. Arthur M. Browning of New York Life is chairman of the educational seminar sub-committee in charge of the program.

DISC Course at Washington

District of Columbia A. & H. Assn., assisted by D. of C. Life Underwriters Assn., is sponsoring a disability sales course, beginning Oct. 14 and running to Dec. 16. It is under the direction of Frank I. Busbee, president of the A. & H. Assn.

Claim Talk at San Antonio

San Antonio Assn. of A. & H. Underwriters at the last meeting heard a talk by Clarence E. Klein of Aetna Casualty, who discussed claims. Mr. Klein said one of the points about which there is the most confusion is

the term partial disability, and then come the confining and non-confining clauses.

Sohn to Globe Life as

A. & H. Department Manager

Harvey Sohn, for 20 years with Wisconsin National Life has joined Globe Life of Chicago as manager of its new A. & H. department.

Mr. Sohn has been chief A. & H. underwriter for Wisconsin National Life and before that was assistant manager of claims.

A. & H. Business to Be Heard at House Study Committee Hearings

WASHINGTON—The A. & H. business is preparing to provide as complete factual information as possible to the Woolverton committee of the House that will hold hearings on this subject next week.

It is understood that five insurance witnesses will be heard, among them being E. B. Whitaker, Prudential; Henry Beers, Aetna Life, and E. J. Faulkner, Woodmen Accident.

The committee will also hear repre-

sentatives of employers maintaining A. & H. or benefit plans for employees, among them being Standard Oil, United Airlines, and Upjohn Co.

The understanding of the insurance people is that the committee is merely doing some fact finding, and they intend to cooperate fully, explaining private plans, individual and group coverages, outlining the number of persons covered, how the plans operate, benefit costs and other details.

• National Life of St. Louis has been licensed in Oklahoma. Spence Gregor, Hightower building, Oklahoma City, was named general agent.



... says Mrs. C. K. Knouse
Glendale, California

"No 'DEAD END' Road For Us"

"How well I remember the time—several years ago—when Chuck and I were facing a "Dead End" road as far as higher earnings and independency were concerned!

"Moreover, Chuck's work as a Field Service Engineer with an aviation company required him to travel about the country, keeping him away from home from four to six months out of the year. He was missing some of the most precious moments of our little daughter Joan's childhood . . . her first steps . . . her first words. We realized that we had a problem, a big problem. How could we keep our family together all year round and still have a successful future?

"The turning point in our lives came when a Minnesota Mutual salesman called on us to discuss our insurance needs. He presented the Success Bond Story and we were completely sold. For us, it was the only way to safeguard the

present and save for the future. And Chuck also began to see in the Success Bond Story a basis for a successful business career. It wasn't long before my husband joined the Minnesota Mutual as a life insurance salesman as well as a policyholder.

"Since then Chuck's unbounded enthusiasm, friendliness and desire to help others combined with Minnesota Mutual's dynamic sales tools have brought him all the many career advantages for which he was looking—higher earnings, independency, an opportunity to enjoy a closely knit family life.

"Now after more than five years with the Minnesota Mutual family and with another daughter, Judy, added to our family, there's no "Dead End" road for us. We're steadily going forward, up an unending road of happiness and success."

With Minnesota Mutual since 1947, C. K. Knouse paid for \$417,730 in 1952. What's more, the business he sells stays sold as is evidenced by his spectacular renewal ratio of 98 per cent, which gives him "M" Club membership. Chuck's continued and effective use of the Success Bond Story and other exclusive Minnesota Mutual sales tools has brought him over a million dollars of personally written business in force.

**THE MINNESOTA MUTUAL
LIFE INSURANCE COMPANY**

ST. PAUL 1, MINNESOTA

This letter, written by the wife of a Minnesota Mutual salesman, is published here as a deserved recognition of the enduring contribution she and her husband are making toward the continuing growth and progress of the Company.

Pushing Minor A. & H. May Prove Unduly Expensive

(CONTINUED FROM PAGE 5)

one he examined had a provision expressed in a sentence of 150 words. The language used by all companies, including Occidental, was practically identical—each of them combining in one long sentence the various conditions and exceptions which the provision requires.

This needless complexity in types of coverage and explanations of them produces a cost to the business, Mr.

MacRae said. When accident insurance is stressed to the exclusion of sickness, not only does the company doing so create additional policy forms, but it creates uncertainty in the minds of the buyer as to what kind of insurance best suits his needs. "We all believe that the job of furnishing personal insurance can best be done by private enterprise. Therefore, should we not make every effort to offer insurance which protects against disability, regardless of cause? Otherwise, how can we claim that we, who represent private enterprise, are doing all we can to

provide adequate insurance coverage?" When the companies get away from basic coverages and go into specialties, they immediately create confusion because of the wide variety of coverages offered. Besides this price in loss of public good will and confidence, the policyholders pay more because the companies are offering the goods in small packages.

Handling this non-basic type of business costs the companies an additional expense, Mr. MacRae said, illustrating from Occidental's experience. That company sells an accident medical expense policy with an average premium of \$25 which has an average underwriting, issue, collection, claim and general service cost of \$6 a year per policy in force. The average premium for Occidental's leading loss of time policy is \$108 a year. It has the same administrative expense. Therefore, the buyer of an accident medical expense policy should be paying four and one-half times as much toward administering expense as the buyer of the full coverage policy, although obviously he does not. In practice, the companies may not be charging the proper share of expense to business with a low average premium, especially if operations are gauged by the loss ratios.

"Moreover," Mr. MacRae added, "if we look realistically at this business with a low average premium, we may find that it is unprofitable even though it may have a loss ratio several points lower than the company average. In this connection, our costs of operation must be carefully examined."

This relatively high cost goes over into the claim side. With Occidental, 46% of claims on accident-medical policies are for less than \$25, with the cost of paying such a claim 5% of the premium as compared with a cost on loss of time policies of 1½%.

The wide variety of A. & H. forms is a source of cost and trouble in furnishing the insurance departments with particulars as to loss ratio on each coverage. The catalog of policy forms becomes more and more complex, Mr. MacRae opined, and it is natural supervisory authorities should require more detailed information.

He suggested many of the additional coverages could be handled by means of a rider rather than separate policies. Instead of selling a separate coverage with a low average premium the companies should do everything to make it possible for the policyholder to purchase the different coverages in one policy contract. This probably means the elimination of many forms now being sold and the inclusion under a basic loss of time policy of the coverages now provided by separate policy forms, he said. Carrying this further, he said the companies could give consideration to eliminating coverages which are not realistic.

S. Gwyn Dulaney of Travelers, in a talk entitled "Coinsurance as an Element of a Social Insurance Program," told the bureau members that they should not have any hesitancy in advocating coinsurance—it is a principle that has been applied in other lines without arousing suspicion of the company motives. It is already employed in weekly indemnity policies by means of an initial waiting period and a limitation on the amount of insurance allowable as compared with salary.

However, there has been a disappearance of coinsurance in hospitalization policies. First the companies were too restrictive, now they have

gotten to the point, in meeting competition with service plans, of ignoring what Mr. Dulaney called the fundamentals.

Lately there has been some experimentation with a small deductible on hospital, such as \$25 or \$35, but he noted that there is some feeling that this isn't the full answer, since after the deductible has been incurred, the insured may very well feel the sky is the limit, and a one or two-day confinement for diagnosis can turn into a very expensive survey with material charges.

Possibly, he suggested, the 75-25 or the 80-20 deductible that is being used with major medical can be extended to hospitalization.

Robert Orriny Retires

Robert Orriny, assistant secretary of National Life of Des Moines, has retired. He had been in life insurance since 1906 and was with National Life since 1927. He formerly was superintendent of agents.

THE COMPANY BY THE GOLDEN GATE



☆☆DOING a quality job in a quality market...the West Coast...with working conditions ideal the year around...a great place to build a life insurance career!

WEST COAST INSURANCE LIFE COMPANY

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The **GUARDIAN** *Life Insurance Company* **OF AMERICA**

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OVER A BILLION DOLLARS INSURANCE IN FORCE

"ALL OVER the country life insurance managers and agents are watching with keen interest the program of this Company for putting much greater earnings into your pockets as a means of increasing sales."

So reads the first paragraph of a reprint of a talk delivered to the General Agents of the Philadelphia Life by President William Elliott. This enlightening talk will no doubt prove of interest to you. Why not write today for a free copy of this booklet.



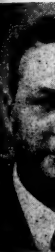
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INSURANCE COMPANY • PHILADELPHIA, PA.

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President

Joseph E. Boettner, C.L.U.
Agency Vice President

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Indiana Agents Ask More Stringent Rules for Founding Life Insurers

Strengthening of rules for the formation of new life companies in Indiana was recommended to Commissioner Wells by a special committee of Indiana Assn. of Life Underwriters.

Indiana has had what observers term a "rash" of new companies formed in the past two years, two more (Associates Life and Associates Income) being announced almost simultaneously with the committee's report.

Recommendations include increase of the present minimums of \$100,000 capital and \$50,000 surplus, Indiana residence for all officers and directors, forbidding the sale of both policies and stock by the same salesmen, and confining the sale of stock to investment firms.

The committee consists of J. Russell Townsend, general agent Equitable Life of Iowa; Walter McClure, associate general agent State Mutual Life, and Al Mayer, general agent Indianapolis Life, all of Indianapolis. Its formal report probably will not be acted upon by the association until its mid-year meeting next month.

Newton Made Franklin Division Chief at Concord

Walter S. Newton, Jr., has been appointed a division manager for Franklin Life, with headquarters at Concord, N. H. For 11 years he has been in both home office and sales assignments for Home Life of New York.



W. S. Newton, Jr.

Starting in life insurance in 1929, Mr. Newton two years later joined Prudential at New York City. In 1934 he was appointed general agent by Atlantic Life for New Jersey, and from 1937 to 1942 was engaged in supervisory work and personal production at Boston.

Currently serving as vice-president of New Hampshire Assn. of Life Underwriters, Mr. Newton is immediate past-president of the Concord association.

Blue Cross-Shield Meeting

Just ahead of the big casualty meetings of companies and agents at White Sulphur Springs, W. Va., the National Assn. of Insurance Commissioners' committee on Blue Cross and Blue Shield held a meeting there with Leslie of Pennsylvania, the chairman, in charge. On hand also were Pansing of Nebraska, Charles Dubuar and William Gould of New York and Ralph Alexander and John Skelton of Pennsylvania. Several commissioners looked in on the meeting and stayed for the casualty gathering. J. Ketchum, director of the Michigan Blue Shield, was on hand. The committee directed its attention chiefly to reserves.

Describes Nippon Life Insurer

W. D. Grant, vice-president of Business Men's Assurance, has received an interesting letter from Navy Lt. John Sutherland, former vice-president of a life company, who has been on a tour of duty in Tokyo.

The lieutenant tells of an interesting visit to the home office of Chyoda Mutual Life in Tokyo. He comments about the surprising similarity between this company and the average company in the states. Its standards of efficiency are high, although not developed to the

same degree of mechanization in operations and practically all work is done by hand, including all billings.

Opens 2nd Milwaukee Office

New York Life has opened a second Milwaukee office at 4914 West North avenue. Harold E. Stanard, who recently returned from service in Korea and previously was with New York Life in the east, is manager. Albin H. Otto is assistant manager, and John J. Hayes, previously with the Milwaukee downtown office, has been appointed cashier.

Retirement Handbook Stresses Need for Income

NEW YORK—The new Harper & Bros. Retirement Handbook is a 330-page planning guide for those who want to be ready to retire when the time comes, those who are in the process of retiring, and those who have already retired. The author, Joseph C. Buckley, has included an unusually valuable chapter on income planning for financing retirement living.

The book emphasizes that the President's council of economic advisers

has called an annual income of \$2,000 about the least that couples living in most cities can get by on. It mentions that many citizens will be disappointed to find on retirement that their social security benefits are not going to provide enough pension for subsistence. The average social security payment now being made to retired workers and wives is \$81.50 a month. Mr. Buckley stresses the importance of having hospitalization, sickness and accident policies in addition to life insurance. Most of the book is taken up with a discussion of where and how to retire and reap satisfaction.



Heart Appeal and Sales Appeal

This Great-West Life poster with its simple but powerful message will

appear in 76 cities and towns throughout the United States and Canada

during 1953. The heart appeal of two smiling youngsters is a reminder

of the most compelling reason of all for buying life insurance—

love of family.

Thus, the sales efforts of Great-West Life representatives in 1953 are supported

on busy thoroughfares and at important corners by outdoor

advertising. Millions of people will see and note the message and

challenge of "You love them . . . protect them!"

THE
GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE—WINNIPEG, CANADA

celebrating
25 Years of service!
with life insurance in force exceeding
\$485,000,000.00

PLUS: One of the most advanced agent's training programs in the nation . . . Supervised offices . . . Trained Group men to assist agents . . . An alert Underwriting and home office staff . . . Top commissions . . . Company outings . . . App-A-Week clubs and agent contests . . . the finest insurance plans.

REPUBLIC NATIONAL LIFE INSURANCE COMPANY

*Life
A & H
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Franchise
Hospitalization
Brokerage
Reinsurance*

Theo. P. Beasley, President Home Office, Dallas

*We are pleased
to announce the association with us of*

WILLIAM L. READ
*as our
Institutional Representative*

in the states of
**IOWA, NEBRASKA, KANSAS, OKLAHOMA,
MISSOURI, ILLINOIS AND WISCONSIN**

FIRST Southwest COMPANY
Investment Bankers

MERCANTILE BANK BUILDING, DALLAS
ABILENE • PLAINVIEW • SAN ANTONIO • TYLER

Direct wires to the principal markets of the nation

October 1, 1953

CHANGES

Jefferson Standard Names Bergan Denver Manager

Richard C. Bergan has been named manager for Jefferson Standard at Denver, succeeding Ray S. Peters who has given up managerial work to devote full time to personal production.

Mr. Bergan goes to Denver from Colorado Springs where he has headed the company's district office for three years. He has been with Jefferson Standard since 1946. Mr. Peters, who will continue as a personal producer in Denver, has headed the Denver branch since 1926.

National Life of Vermont Names Lyons General Agent

Andrew J. Lyons, Jr., has been appointed Springfield, Mass., general agent of National Life of Vermont effective Dec. 1.

Currently Mr. Lyons heads the company's western Massachusetts territory as assistant general agent of the Fred S. Brynn agency of Burlington, Vt., being promoted to this post last January after serving as an agent at Montpelier for six years.



Andrew J. Lyons, Jr.

Prudential Raises Behling

Royal H. Behling, staff manager for Prudential in the South View district of Milwaukee, has been named manager at Green Bay, succeeding William G. Heppert, who has retired after 21 years there. Mr. Behling joined Prudential in 1928 at Milwaukee and was advanced to staff manager in 1939.

Life of Ga. Makes Changes

Life of Georgia has appointed Sam Anderson field supervisor at Spartanburg, S. C.; Benjamin E. Holland assistant to the agency secretary, and Tom F. Teel district manager at Clarksdale, Miss.

Mr. Anderson, with the company 18 years, has been home office training assistant. Mr. Holland formerly was staff manager at Raleigh, N. C. He has been with Life of Georgia 14 years. Mr. Teel, who has been staff manager at Murfreesboro, Tenn., joined the company in 1936.

Murphy Heads New Agency

William J. Murphy has been named manager of a new Travelers agency at Lubbock, Tex. Headquarters of the new office, which will service 79 Texas counties and four in New Mexico, are in the National Bank building.

Mr. Murphy joined the company in 1941 as an agent and after service in the army became a field supervisor at Dallas. He was advanced to assistant manager there in 1950 and later that year went to Sioux City, Ia., as manager.

Kearns Brokerage Supervisor

U. S. Life has appointed Sherman N. Kearns, Jr., brokerage supervisor in its Schwartzberg agency, Jackson Heights, N. Y. Mr. Kearns has been vice-president of the Kearns & Mc-

Court general agency at Brooklyn with which he was associated since 1948, and also was special agent with Royal-Liverpool.

• The State Farm companies have appointed Kenneth Renn and Glenn Heathcote as new district managers at St. Paul.

MEN of VIRGINIA

Loyalty



Robert Lee

Idol of the South, Lee is regarded as one of history's greatest military commanders. In sympathy with neither slavery nor secession, he would not fight against his native state, but rather chose to lead its soldiers in defense of their homeland.

Loyalty describes one of the finest attributes of the agency organization of The Life of Virginia.

Over 84% of the managers of this 1½ billion dollar company have had more than 10 years' service with the Life of Virginia.

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Stimulating Program Held at Manhattan's Agency Convention

Addresses by home office executives and leading producers, room-hopping sessions and a talk by William T. Earls, general agent at Cincinnati for Mutual Benefit Life, featured the annual agency conference at French Lick, Ind., of Manhattan Life.

Company men and their topics were Elder A. Porter, vice-president and chief actuary, "The Actuarial Department and its Functions"; Dr. L. Gordon LaPointe, medical director, the medical and underwriting departments; Edward Fitzsimmons, secretary, "Internal Operations"; and Ralph P. Schaberg, treasurer, "The Investment Department and its Functions".

Mr. Earls, whose address concluded the five-day meeting, discussed "Motivation to Million Dollar Production through Business Insurance."

The Grosten agency at Los Angeles, which led the company in number of men qualified to attend, received four production plaques. They were: Leading agency in paid volume, presented by the Manhattan Club, and four awards in the Fordyce campaign, in honor of Board Chairman J. P. Fordyce, they being division one, company leader in total paid volume, and leading agency in paid group volume.

Behind the Grosten agency were the Sobel agency at Philadelphia and the Spencer agency at Trenton. The Sobel agency won an award as leader among new agencies in paid volume; Herbert Edelstein, of the Sobel agency, was named leader in paid volumes in lives. Both awards were presented by Manhattan Club. General Agent Clarence Speaker of the Spencer agency received a Manhattan Club plaque for being first to qualify, and another as leading general agent in new paid premiums during the club year.

"The top 10 clinic", a panel composed of the 10 leading producers in paid volume during the club year, was moderated by Richard M. Grosten, Los Angeles, and members were Mr. Edelstein, Anne Frimkess, Los Angeles; Morris L. Harmelin, Bernard B. Hoffman, Harry Levey, Nathan Posner, James G. Ranni, William J. Schloen, Jr., Mr. Spencer and Sam J. Stone.

Topics covered by room hopping meetings and their respective hosts were: "Programming Made Simple," Mr. Hoffman; "Opportunities in the Pension and Profit-Sharing Field," Mr. Spencer; "Business Insurance Made Simple," Ruth M. Kelley; "Single Need Selling," Aubrey E. Green; "Taxes and Life Insurance," Mr. Schloen.

Mr. Porter presided over a panel which discussed the use of multiple acceptance and guaranteed issue to develop business. Members were John M. Demarest, Ruth Kelley, Mr. Ranni, Daniel Forman, and Tom Connolly, Jr.

More Texas Insurers

Three new Texas life insurers were licensed last month.

American Interstate Life, located at 2610 West Berry street, Fort Worth, is starting with \$25,000 capital and \$12,500 surplus. President is Scranton Jones. United World Life has similar amounts of capital and surplus. Its headquarters are at 100 Texas street, El Paso. Spencer Treherne is president. General Bankers Mutual Life will have its home office at 228 East Martin, San Antonio. Wallace Cook is president. All three are licensed to write both life and A. & H.

In addition, during September Na-

tional Bankers Life of Dallas reinsured all coverages, except credit lines, of Presidential Life of Dallas, and Commerce Mutual Life of Houston was reinsured by Commerce Life of Houston.

B.M.A. Has New Policies, Makes Rate Reductions

Business Men's Assurance has a completely new life rate manual, with plans now offered in three series—ordinary in which the minimum contract is \$1,000; special, minimum \$2,500; preferred, \$10,000.

New contracts added to the life man-

ual include an estate plan especially designed as a juvenile contract, a special double to 65 and a preferred 15-year term. Rates on 15 life contracts are now quoted at age zero. Formerly nine of these were not available prior to ages 10 or 15.

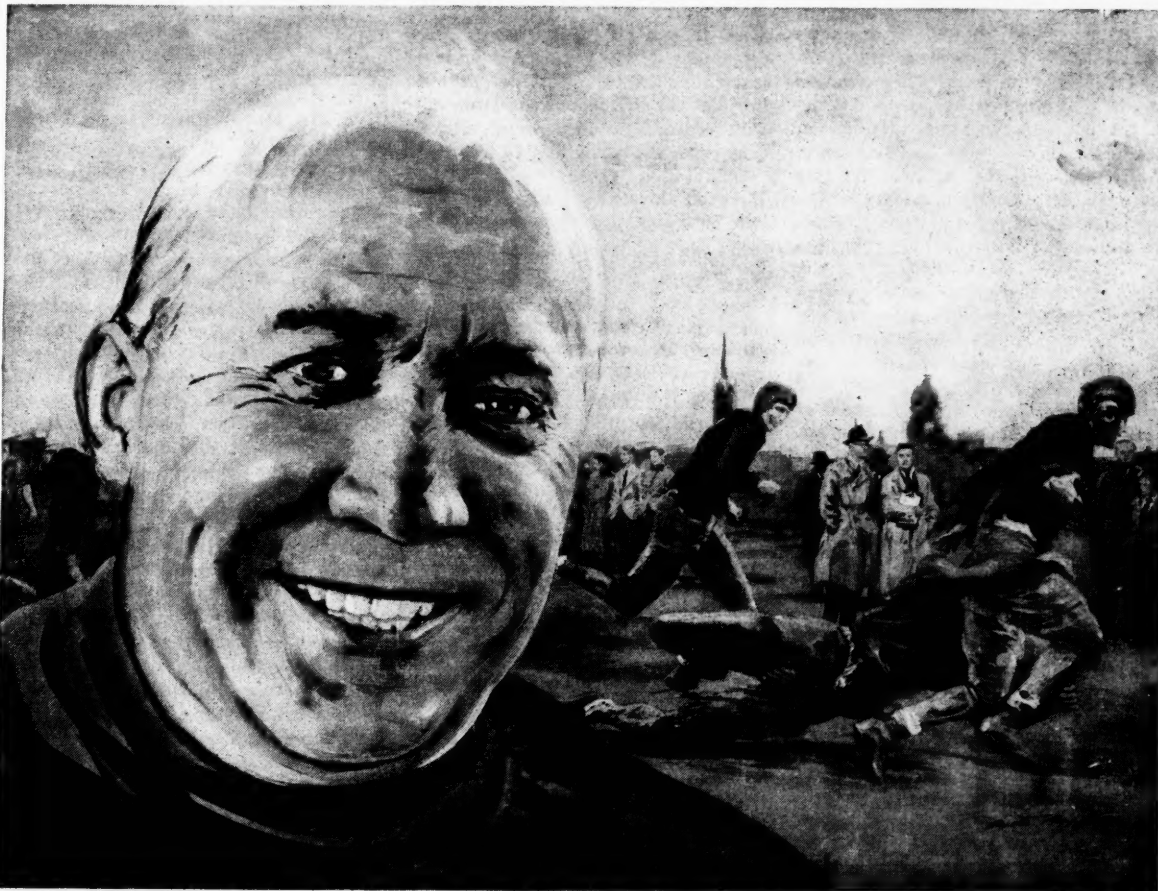
Also, waiver of premium and double indemnity benefits up to \$100,000 are now offered, and supplements providing waiver of premium, disability income and the disability portion of payor benefits now include full aviation coverage.

In addition to the new contracts, the manual also includes reductions in rates on several plans.

Conference Underwriting Forum Topics Announced

H. & A. Underwriters Conference has scheduled its annual underwriting forum for Nov. 3-4 at Chicago. C. M. Barry, Ohio State Life, is chairman of this committee.

Topics to be taken up include trends and post-claim underwriting, coordination between claim and underwriting and agency and underwriting departments, field force training and the salesman's view, female and substandard risks, and selection of individual catastrophic coverage.



They called him The Man-Maker

KNUTE ROCKNE was a big homely man with a wide, warm grin and a tough jaw and the kindest blue eyes you ever saw. He spent most of his life in a pair of messy canvas pants and a sweatshirt, and people looked surprised any time he turned up in a normal collar and tie.

But when Knute Rockne went out of this world, even the President of the United States felt the loss, and wrote a message to the nation. And that seems odd when you consider that all Knute ever did was play a game. It's odd, that is, until you think about it.

Knute's game, as nobody needs to tell you, was football. Knute practically invented football. He thought football the way Beethoven thought symphonies. He was a natural.

Down at Notre Dame, Knute would round up a bunch of ordinary healthy fellows, and go to work on them. He'd teach them how to run, how to stand firm, how to fall down, how to take care of themselves and live right. Boys would grow two inches in every direction under Knute's training. But he wasn't just a muscle man; Knute was a thinker, too. He'd invent plays that would leave the other team wishing they had thought of them first. He made football an exercise for the wits as well as the body.

And Knute could talk. He could talk you into being twice as big, twice as fast, twice as good as you thought you were. They say that one time, after one of Knute's locker-room sermons, one of the boys

was so fired up with righteous spirit that he dashed out the wrong door and landed in the swimming pool. (Knute always enjoyed that story even if it wasn't true.)

You can look up the records if you want to—so many winning teams, so many victories, so many fine players. No doubt about it, Knute was the great man of football. But sometimes when you talk to fellows who knew him, now that they've had a chance to think about it, you get the idea that football wasn't Knute's game at all. Maybe, they tell you, Knute was coaching a bigger game than that.

Knute taught boys to be men. He put muscle in their characters. He taught them to want to win—but only to win clean—and to win with the team, for the greatest satisfaction is not to win for yourself, but to win with others.

We've had a lot of men in this country who taught us how to live with manliness, enthusiasm and pride. Some wrote books, some passed laws, some showed us by example. And one of them—as fine a teacher as any—was a homely guy with a tough jaw and kind eyes, who spent his life in a sweatshirt and a pair of football pants.

John Hancock

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EDITORIAL COMMENT

Comments on Company-Member Editorial

The recent editorial on the merits of the New York State Assn. of Life Underwriters projected company-member plan elicited telegrams, letters and telephone calls, mostly from New York state association leaders, commenting favorably on the views expressed in the editorial. Two critical letters have come in and we believe one of them is of sufficient interest to our readers to quote here in full. It is from Gerard S. Brown, agent of Penn Mutual in Chicago, who has long been active in National association affairs and has just been reappointed chairman of the federal law and legislation committee. He writes the editor:

"You really got something off the chest of the New York state association in THE NATIONAL UNDERWRITER editorial in the Sept. 18 issue. The leaders of the New York association are gentlemen and I am sure that they will accept the decision of the trustees of the National Assn. of Life Underwriters graciously.

"Do you not agree that out of consideration for the opposite opinion of many thousands of your readers, you should have taken a neutral position in this matter? That and another reason stated below should have deterred you from the stand which you took.

"What you fail to recognize is that the provision of the National association by-laws which the trustees declared would prohibit the action was phrased with that very purpose in view. The members decided when the by-laws were adopted that membership was to be limited to member associations. And they had some good reasons for it which are still valid. They even thought of some points which you mention on the other side of the question. So the law of the association is there and the way to take a contrary action is not to attempt contravention, but to seek an amendment of the by-laws. Of course, any such project would be opposed. There is reason to believe that a majority of N.A.L.U. members want no change in the qualifications for membership in state associations.

"The arguments of your editorial are answerable and will be answered if they are brought up at the appropriate time and place, i.e., either a convention of N.A.L.U. or a meeting of its board of trustees.

"THE NATIONAL UNDERWRITER is one of the old and respected journals in

the industry and has earned its enviable reputation by a long record of timely and objective reporting of news and events. But THE NATIONAL UNDERWRITER exceeds its proper function when it interjects itself into an internal policy matter of N.A.L.U., in which it has no membership or responsibility. I do not doubt your legal right to publish the editorial, but do question the correctness of your editorial partiality in an issue which concerns only the members of N.A.L.U. I would feel no differently if you had supported the other side of the subject.

"Let me assure you of my continued high esteem for your paper and for you."

We regret that anyone—and particularly someone of Mr. Brown's prominence in N.A.L.U. affairs—feels that THE NATIONAL UNDERWRITER exceeded its proper function in expressing an editorial opinion on the New York state company-member plan. From a strictly technical standpoint, we'll agree that he is correct in saying that what goes on within N.A.L.U. is none of THE NATIONAL UNDERWRITER's business. Nevertheless, we believe it is a part of the job of a responsible insurance newspaper not only to report the news promptly and objectively but to comment editorially on matters of such industry-wide importance as the company-member plan, provided the comments are without bias or partiality. And Mr. Brown to the contrary, we can't see that there was any indication of partiality in the editorial. It was strictly an attempt to weigh the pros and cons and see which viewpoint seemed to have the greater merit.

Checking back over a lot of our editorial pages, we found that a good many of the editorials would not have been written if we had adhered strictly to the principle of expressing an opinion only on those matters on which we had a right to comment by reason of "membership or responsibility." Yet, for the very reason that we have no membership or responsibility in N.A.L.U. or the other organizations whose affairs we discuss now and then, it seems to us valuable that insurance newspapers have editorial pages where controversial ideas can be brought up, battled around, speculated upon, and otherwise examined, not as a means of telling readers what

to think, but of giving an additional stimulus to their thinking.

As a practical matter, we believe Mr. Brown does us too much honor in his implied estimate of the influence that THE NATIONAL UNDERWRITER exerts by the mere fact of taking a position for or against something. Perhaps a reader here and there may be influenced by facts we might adduce or our analysis of them. But it's hard to imagine anyone saying, "Well, if that's the way THE NATIONAL UNDERWRITER feels about it, then that's the way I'm going to vote."

As for Mr. Brown's statement that "the leaders of the New York association are gentlemen and I am sure they will accept the decision of the trustees of the National Assn. of Life Underwriters graciously," we are happy to concur 100% on the first part of that observation. But we can't see where the second part follows from the unquestioned premise that the New York leaders are gentlemen.

There were very plain indications from the New York leaders at the N.A.L.U. meeting at Cleveland that New York might well go ahead with its plan, in line with its unanimous mandate from its member associations, and that while the state association would certainly not secede from N.A.L.U. it was not blinking the possibility of expulsion.

Naturally, the state association leaders would much prefer that a way be found to permit the company-member plan to proceed without causing a severance of the long-standing ties between the state association and N.A.L.U. That the New York people are far from giving up hope of this happy outcome is evidenced by their scheduled conferences with the three-man committee named by N.A.L.U. to handle this matter. As further evidence we quote from a letter we received from Benjamin D. Salinger, Mutual Benefit Life, New York City, secretary-treasurer of the state association. It says in part:

"Actually, I believe that the subject has been discussed by a great many people from the point of view of emotion and tradition rather than from a logical point of view and from a full consideration of the facts and reasons behind the action of the state association. Your editorial seems to me to marshal the facts and the logic in such a way that many of those who have opposed cannot fail to see the compelling reasons behind the state association's decision.

"It is always easy to say nice things about someone who agrees with you, but this is much more heartfelt in that this letter thanks you for putting

our reasons in a clear, concise and logical manner, and, I believe, in a way that will make many converts to our point of view."

That doesn't sound very much as if the New York state leaders—at this stage, anyway—are accepting the decision of the N.A.L.U. trustees as having finally settled the company-member question.

Alva Z. Allen, district group manager of New England Mutual at Cleveland, is the writer of the other letter disagreeing with the conclusions expressed in the editorial.

"Instead," he suggests, "why not recognize that New York state, in practice, sets the national pattern, and invite agents in all the other states to take out non-resident non-voting memberships, so as to give the New York state association the needed financial support? This is in my opinion the best approach from every viewpoint."

That is certainly an interesting suggestion but judging from the difficulty that has generally been encountered in getting—and keeping—sustaining members just in states where this plan has been followed there would appear to be practical difficulties in inducing non-New York members of N.A.L.U. to come through with enough money to obviate the need of company assistance. If there were sufficient awareness in the other states of the importance of financing New York activities, it seems likely that there would be a disposition to do it through N.A.L.U. That idea has been advanced but it appears not to have made any perceptible headway. Nevertheless, we pass along Mr. Allen's suggestion for whatever follow-up others who are interested may wish to give it.

PERSONALS

Harold Hayward, Mutual Trust Life general agent in Chicago, was chairman of the 1953 Chicago Kiwanis Peanut Day on which some 5,000 volunteers sold bags of peanuts on street corners for the benefit of underprivileged children. Almost 40 tons were sold. Mr. Hayward is Lt. Gov. of Division I, Illinois Kiwanis.

Arnott R. Folsom, president of Pioneer Ins. Co., life and A. & H. insurer, has been elected a director of National Bank of Commerce of Lincoln, Neb. He has succeeded the late E. C. Folsom in both posts.

Mrs. Solomon Huber of Mount Vernon, N. Y., whose husband is general agent of Mutual Benefit Life in New

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Editor: Robert B. Mitchell.
Associate Editors: John C. Burrledge, Charles C. Clarke and F. A. Post.
Assistant Editors: Ellsworth A. Cordesman, Roy Rosenquist, Statistician.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor; Roy Rosenquist, Statistician.

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PITTSBURGH 23, PA.—503 Columbia Bldg., Tel. Court 1-2494. Bernard J. Gold, Resident Manager.
SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

York City, was the subject of a feature article in a series on "Our Glamorous Grandmothers" in the Mount Vernon Daily Argus.

John J. Holahan, who has been promoted to superintendent of ordinary agencies in the New York metropolitan region for Prudential, succeeding William F. Drake, joined the company in 1937 as special agent at Buffalo. He returned to Buffalo as assistant manager following army service and later went to Prudential's home office at Newark as training consultant. He subsequently was promoted to assistant regional manager, then regional manager. He will be in charge of ordinary agencies along the eastern seaboard.



John J. Holahan

O. J. Lacy, president of California Western States Life, will be able to return to Sacramento in about a month, it is expected. He has been at Newport Beach, Cal., since July 23 when he suffered a stroke while attending the Boy Scout Jamboree. Mr. Lacy is making consistent progress toward a full recovery.

Charles B. Palmer, 82, associate manager at Wilmington, Del., for National Life of Vermont, was honored at a luncheon at Wilmington on his 50th anniversary in the business.

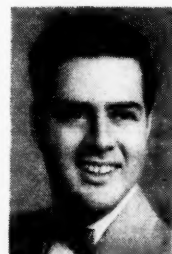
National Life President Deane C. Davis said in his address: "The mere fact that a man stays in the life insurance business for 50 years is clear indication that not only has he made success of his business but that he has given great service and satisfaction to the community in which he lives and practices his profession."

Among the 115 guests at the luncheon were Claude L. Benner, president of Continental American; Gov. Boggs of Delaware and Mayor Walz of Wilmington. Frank Shoemaker, district manager at Wilmington, was toastmaster.

Mr. Palmer joined the company in 1903. He continues to go to his office daily, making calls and engaging in

outside activities. Among gifts he received at the luncheon were a fishing pole, presented by Clifford H. Orr, general agent at Philadelphia; a desk lamp, from Delaware Assn. of Life Underwriters, and a huge anniversary cake, from General Agents & Managers Assn. of Delaware.

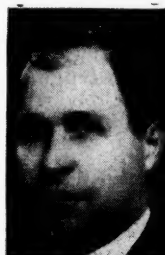
Bernard J. Gold has been named resident manager at Pittsburgh for the National Underwriter Co. His headquarters are at 503 Columbia building.



Bernard J. Gold

Mr. Gold joined the company early this year and has been located at the home office in Cincinnati. Before that he had wide sales and sales management experience.

Arthur W. Theiss, director of publicity and advertising for Minnesota Mutual Life, was elected secretary and a director of the national Direct Mail Advertising Assn. at its annual convention in Detroit. Mr. Theiss entered advertising and sales promotion work in 1922. After experience in other fields he joined Ohio National Life in 1933 as sales promotion manager. He went with Minnesota Mutual in 1945 as assistant superintendent of agencies, advancing to his present post in 1947.



Arthur W. Theiss

Ten cash grants for the current academic year have been made in memory of the late **W. Graham Cole**, vice-president of Metropolitan Life, by the Center for Safety Education of the division of general education, New York University. Mr. Cole took an active interest in safety matters in the New York area.

Edward Mitchell, chairman of Beneficial Standard Life, has been elected a director of Zim Navigation, a shipping concern.

Vincent B. Coffin, senior vice-president of Connecticut Mutual Life, addressed marine corps colonels in charge of recruiting in New York.

John R. Larus, vice-president and actuary of Phoenix Mutual Life, observed his 40th anniversary with the company. Mr. Larus was named assistant actuary in 1919, advanced to associate in 1929 and to his present position in 1934. He is the current president of Society of Actuaries.

Mrs. H. O. Chapman, whose husband is president of National Reserve Life of Topeka was unable to accompany him to the A.L.C. convention this week, because she is still handicapped from the effect of a broken hip that she suffered in a fall in July. H. O. Chapman, Jr., who is assistant secretary and treasurer of National Reserve, took in the A. L. C. meeting.

L. D. Cavanaugh, president of Federal Life of Chicago, discussed "How Life Insurance Works" before a large group of Chicago public school teachers in connection with the program for "Teachers in Service—Training and Family Security" sponsored there by the board of education.

A. M. Burton, president emeritus of Life & Casualty, was presented with the company's 50-year service award by President Guilford Dudley, Jr., with Paul Mountcastle, chairman, and home office employees in attendance.

Canadian Selection Men to Meet at Toronto Oct. 21

Canadian Home Office Life Underwriters Assn. will hold its fall meeting Oct. 21 at the head office of Manufacturers Life. The program includes a case clinic and discussion of current underwriting topics and routine practices.

The banquet speaker will be Professor L. Joslyn Rogers, professor of analytical chemistry at the University of Toronto. Association president is A. L. Manness, assistant secretary of Northern Life of Canada.

Names Lyons General Agent

Neal Lyons has been appointed general agent at Dallas for International Fidelity of Dallas. He joined the company as an agent early this year and recently was promoted to supervisor.

DEATHS

JAMES D. EDGECOMB, 41, district manager at Dallas for American Hospital & Life, died. Mr. Edgecomb joined John Hancock in 1937 at Dallas, was



JAMES D. EDGECOMB

appointed home office agency assistant for the company in 1941, general agent at Dallas in 1943 and general agent at Fort Worth in 1945. He subsequently went with American Hospital. Mr. Edgecomb was a former president of Texas Assn. of Life Underwriters.

HARRY J. SOLON, 62, a vice-president of Hooper-Holmes in charge of the New York office, died at Jamaica, N. Y. He had been with the organization for about 30 years.

JACK C. ROSS, 30, recently named associate manager at Dayton for Western & South Life, was killed in an automobile accident near Germantown, O.

GEORGE E. KRAUSE, 64, general agent for Mutual Benefit H. & A. and United Benefit Life at La Crosse, Wis., died there following a short illness.

ROLLAND W. REESE, vice-president and chief underwriter of Mid-Continent Life of Oklahoma City, died at the age of 71. Mr. Reese had served as vice-president for 42 years.

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Honor for J. E. McCombs

J. E. McCombs was honored on his 20th anniversary as a general agent of

Berkshire Life at Washington, D. C. agency meeting presented Mr. McCombs with a silver plate on behalf of the company. Also attending were

W. Rankin Furey, executive vice-president and Lewis B. Hendershot, who as manager of agencies hired Mr. McCombs 20 years ago.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

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... growing Dallas Company needs experienced man!

The man we're looking for must be thoroughly experienced in all phases of the mechanical production of accident and health, and hospitalization policies. He must be familiar with new uniform provisions. Complete, working knowledge of all phases of insurance business helpful. Liberal, progressive management offers wonderful opportunity to advance in salary and position. Excellent working conditions. Generous annual bonus. Starting salary commensurate with past experience. State in detail, background and job history, along with age, present connection, etc. All information will be kept confidential. Write U-61, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

EXCELLENT OPPORTUNITY FOR SUCCESSFUL GROUP PRODUCTION MAN

One of the nation's leading group underwriters has responsible position open for man with proven sales ability and experienced in the production and supervision of large group accounts.

To meet the experience requirement, this man will be age 35 or over and will have had a number of years' group experience both in the Home Office and field. In the new position, he will be a member of the Home Office staff but will travel a great deal in handling large group cases as a representative from company headquarters.

The salary will be attractive even though his present compensation reflects his success in the group field. He will be representing a company with substantial prestige—with many accounts among America's best known and largest corporations—a company with many years of group experience.

The company is progressive and well managed. There are excellent group and retirement plans.

If you feel qualified by your experience, we would like to hear from you. Please give full information about yourself in your first letter. All correspondence will be acknowledged and held in strict confidence. Personal interviews will be arranged with the best qualified men.

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The National Underwriter, 175 W. Jackson Blvd.
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**NEW OPENINGS FOR
LIFE GENERAL AGENTS**

Mississippi, Georgia, Florida.

(Some Personal producing general agent openings.) Top commissions. Extensive line unusual policies. Special sales plan. Old line Co. Starter plan for experienced agents who want their own agency. Address Box U-71, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

UNUSUAL ACTUARIAL OPPORTUNITY

Medium sized rapidly growing midwest combination company has outstanding opening in actuarial department for man under age 45. Must have executive ability and be Fellow of Society of Actuaries. Give full particulars. Replies handled confidentially. Address U-39, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

AGENCY SUPERVISOR with considerable life ordinary experience. Willing to travel. Salary and Commission commensurate with ability. LIFE UNDERWRITERS INSURANCE CO., P. O. Box 1661, Shreveport, Louisiana.

FOR SALE

Combination Life & Accident & Health Stock Company. Address U66, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

COMPANIES**Coastal States Buys Major Interest in Dixie of Ga.**

Coastal States Life has purchased controlling interest in Dixie Ins. Co. of Newnan, Ga. The purchase price exceeded \$250,000.

C. H. Poindexter, president of Coastal States, said the home office of Dixie will remain in Newnan and operations will continue for the present under the same directors and management.

Dixie was founded in 1947 as an ordinary company, with an industrial division being added the following year. President is Ellis Arnall, former Georgia governor who also has been a general insurance agent.

The industrial business of Coastal States, aggregating more than \$5 million, is to be reinsured by Dixie, Mr. Poindexter said.

Conn. General Statement Judged Best for 3rd Time

Financial World, for the third time, has judged Connecticut General's annual report the best in the life insurance industry. The bronze "Oscar of Industry" trophy was presented to C. Manton Eddy, Connecticut General vice-president, by Weston Smith, executive vice-president of the publication, at the annual reports award banquet Oct. 6 at New York.

New York Life took second place honors, and Connecticut Mutual third among reports by life companies.

Connecticut General's 1952 report was among approximately 5,000 entered. The company won its other awards in 1944 and 1946 and has achieved merit awards for each of the 10 times it has submitted reports.

Opens 11-Story Addition

Manufacturers Life officially opened its modern, 11-story addition to its home office in Toronto. Guides conducted groups through the new premises, which boasts many new conveniences.

COMPANY MEN**McCardle Elected Head of Southern Provident Life**

Eugene U. McCardle, executive vice-president, has been elected president of Southern Provident Life, succeeding the late Charles B. Roberts. Dallas C. Biggers is the new board chairman.

Other new officers are Howard Cox, assistant secretary and chief accountant, and Norma Morrell, chief underwriter.

Mr. McCardle goes with Southern Provident from American National, where he has been agency manager and state director. He has been in administrative posts in insurance companies for 18 years.

Joins Bankers L. & C.

Thomas P. Rogers II, who has been in the division of accounts of the Kentucky department of finance, has joined Bankers Life & Casualty as assistant vice-president. He follows H. Clyde Reeves, who headed the finance department, to Bankers.

Equitable, N. Y., Ups Lyons

Equitable Society has appointed Daniel J. Lyons assistant advertising manager. Mr. Lyons has done advertising and public relations work during

all of his 28 years with the company. Starting in the advertising department, Mr. Lyons transferred to the agency department in 1939 to assist in sales promotional functions. He returned to the advertising department in 1945.

Webb Is Planning Officer for Shenandoah Life

Ambler W. Webb has been named planning officer of Shenandoah Life, a new position, the appointment having taken effect Oct. 1. Previously, Mr. Webb had been administrative assistant for 4 years, and from 1944 to 1949, he was assistant secretary. He has been with the company for 18 years, in the agency, accounting, statistical and personnel departments.



Ambler W. Webb

American Bankers Names Beers V.-P., Agency Director

Leighton A. Beers has been named vice-president and agency director of American Bankers of Waco, Tex. He goes with the company from Protective Life of Birmingham, Ala., where for 15 years he was agency manager.

Mr. Beers entered the business with Mutual Benefit Life and later went with Provident Mutual, first in the home office at Newark, and subsequently as manager at Syracuse. He then went to New York City as general agent for Connecticut Mutual.

Mr. Beers, who also has been named to the board of American Bankers, is a son of William H. Beers, multimillion dollar producer and well-known as trainer of agents.

Aiken Operations Analyst of American United Life

Howard L. Aiken has been named operations analyst of American United Life of Indianapolis. Mr. Aiken formerly was supervising examiner in the Indiana department and at one time was a congressional executive secretary in the U. S. House.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, AND CIRCULATION REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946 (Title 39, United States Code, Section 233) of The National Underwriter Life Insurance Edition, published weekly at Chicago, Ill., for Oct. 1, 1953.

1. The names and address of the publisher, editor, managing editor, and business managers are:

Publisher, The National Underwriter Co., Chicago, Ill.
Editor, None.

Managing Editor, R. B. Mitchell, Ridgewood, N. J.
Business Manager, R. J. O'Brien, Chicago, Ill.

2. The owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual member, must be given.)

The National Underwriter Co., Chicago, New York, Cincinnati; John Z. Herschende and Elizabeth W. Herschende, Trustees, Cincinnati, Ohio; Levering Cartwright, Trustee for C. M. Cartwright and Kathryn Cartwright, Evanston, Ill.; H. J. Burridge, Cincinnati, Ohio; Levering Cartwright, Evanston, Ill.; Russell Cartwright, Evanston, Ill.; Ruth Cartwright, Evanston, Ill.; Leslie K. Wadsworth, Chicago, Ill.; R. E. Richmond, Upper Montclair, N. J.; George W. Wadsworth, Chicago, Ill.; How & Co., Chicago, Ill.

3. The known bondholders, mortgages, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities are: (If there are none, so state.) None.

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

5. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.) 7,652.

6. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.) 7,652.

7. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.) 7,652.

8. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.) 7,652.

9. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.) 7,652.

10. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.) 7,652.

11. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.) 7,652.

12. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.) 7,652.

13. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.) 7,652.

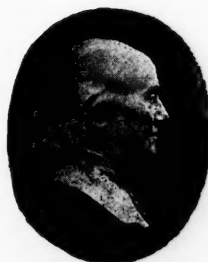
14. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.) 7,652.

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We are pleased to announce the appointment of Walter S. Newton, Jr.



who is Vice President of the New Hampshire Life Underwriters Association, as Franklin Life Division Manager, with headquarters in Concord, New Hampshire.



The Friendly FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS
DISTINGUISHED SERVICE SINCE 1834

One of the 15 Oldest Stock Legal Reserve Life Companies in America
More than a Billion Four Hundred Fifty Million Dollars of Insurance in Force

No. 1 in a series of
father-son combinations
in the
Modern Woodmen
Agency Force



C. A. Ortman

"Charlie" Ortman, Kankakee, has been associated with Modern Woodmen in Illinois since May 1, 1917. He served as a Local Agent until 1926, when he was named District Manager. Since 1938, he has served as Northern Illinois State Manager. Charlie's territory production is always among the leaders. He placed third his first year, topped the list in 1943, and has finished "two-three" every year since 1946.

THE ORTMANS OF ILLINOIS



C. Francis Ortman

"Fran" Ortman, Rock Island, joined the Modern Woodmen family, January 1, 1940, left for Army service in 1945, and became re-associated with the Northern Illinois field force as a District Manager in 1946. Fran was among the first 50 producers in 1941, '46 and '48—the first 20 in 1949, '50, '51 and '52. He was leading District Manager in 1952, with more than \$1,000,000 new life insurance written.

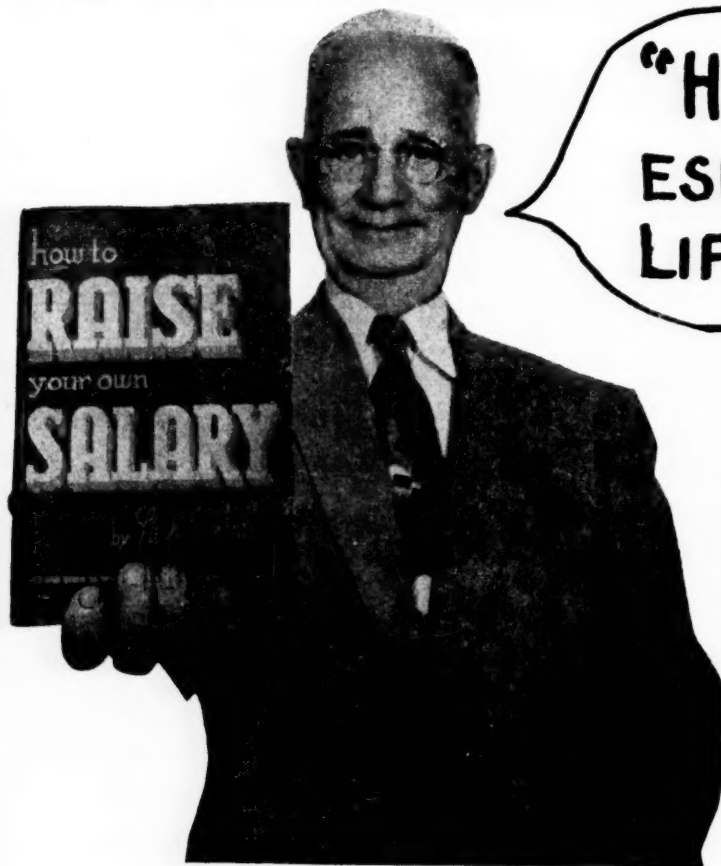
Increased earnings and the opportunity to "get ahead" are built into the future of the Modern Woodmen agent. If you want a career with a future—one that will give you an opportunity to use your talents to the fullest—there's a place for you at Modern Woodmen.



MODERN WOODMEN OF AMERICA

ROCK ISLAND, ILLINOIS
Assets exceed \$175,000,000

Napoleon Hill, author of "Think and Grow Rich", says:



"HERE IS MY GREATEST BOOK-
ESPECIALLY SUITED TO THE
LIFE INSURANCE PROFESSION"

Do YOU want to sell more Life Insurance?

July 23, 1953

An officer of a large insurance company wrote:

"This letter is to let you know how much inspiration and mental stimulation I have already received from Dr. Hill's book, 'How to Raise Your Own Salary.' The title seems to me to be an understatement, because in reality it is a concrete and practical philosophy for living.

"The information and thoughts contained in this book constitute an ideal answer to those who would seek to undermine 'Americanism' with their falsehoods and economic theories which history has proved to be impractical and morally wrong.

"I went to church last Sunday for the first time in many years and believe it or not, the minister preached a sermon on mental attitudes. I am going to continue with persistence to train my mind to eliminate negative thoughts and substitute positive thoughts.

"Common sense has convinced me that any impulse of thought can be transmuted into its physical equivalent by a burning desire and persistent faith in Infinite Intelligence."

P. A. T.

Read and study "How to RAISE Your Own SALARY"



W. CLEMENT STONE

President of the Combined Group
of Insurance Companies

"I've given away several thousands of Napoleon Hill's books and have seen them inspire salesmen to achieve phenomenal sales records and improve themselves as individuals."



EARL NIGHTINGALE

Well-known Radio and
Television Personality

"I was able to double my income in one week, and a short time later, to prove the philosophy was responsible, doubled it again."



EDWARD CHOATE

Life Member of the
Million Dollar Round Table

"Since reading 'Think and Grow Rich' I have written at least \$10,000,000 of business, \$1,500,000 in a single month and have written as much as \$2,500,000 in one year."



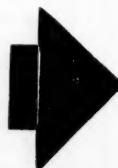
LEE BRAXTON

Bank President and
Mayor of Whiteville, N. C.

"I give Napoleon Hill's books full credit for the fact that I am mayor of Whiteville, president of a bank, president of the Chamber of Commerce and director of a number of businesses."

Obtain your copy of "How to RAISE Your Own SALARY"
today at any book-store for \$3.95, or write directly to . . .

Special prices on quantities of 5 or more



NAPOLEON HILL ASSOCIATES

A DIVISION OF W. CLEMENT STONE ENTERPRISES

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"Whatever the mind can CONCEIVE and BELIEVE the mind can ACHIEVE"

ALC Moves to Cut Duplicate Meetings

President T. A. Sick Sees Responsibility, Leadership Linked

Opens Annual Meeting with Thoughts on Duty of Insurance Executives

The men and women who direct insurance companies have proven their leadership abilities, but in order to fully utilize these talents, they must indicate a willingness to "direct the trend and thinking in the midst of changes which are constantly taking place in our country, so that these changes will make for stability and a movement always in the direction of a stronger economy."

Thus President T. A. Sick opened the annual meeting this week of American Life Convention at the Edgewater Beach hotel in Chicago. The fact that the life insurance business has weathered the difficult period of the depression of the 30's, Mr. Sick, who is president of Security Mutual Life of Lincoln, said, is indicative of the inherent strength of the business itself, but it is also a tribute to those who guided its destinies through these trying times.

A digest of his address follows:

"With the world at conflict over whether man has grown enough through the centuries to be inner-directed rather than outer-controlled, Americans must change their concept that democracy means freedom from responsibility to the thought that it really means liberty to accept responsibility."

"If America means just a grab bag of privileges, if we are nothing more than 160 million seekers after individual likes, we will surely undermine the moral foundations of our country and make it a prey to those who would enjoy seeing this country topple from its place of world leadership."

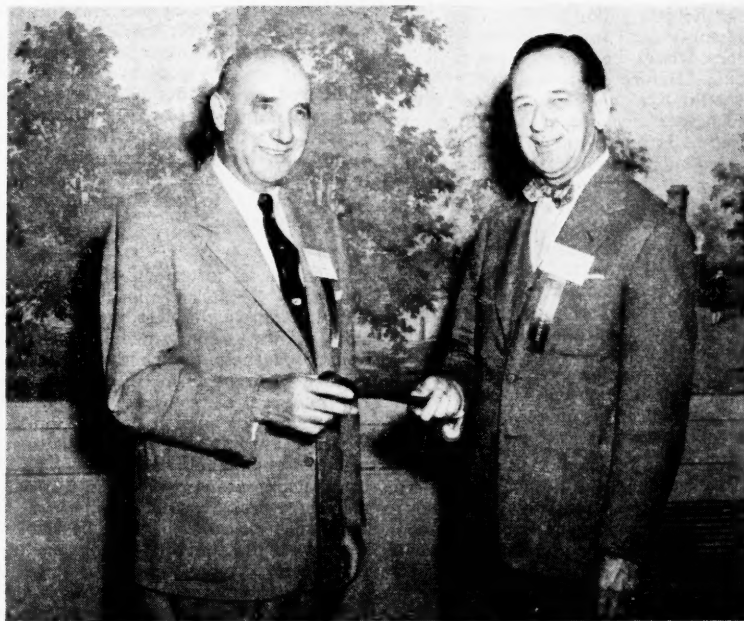
"Liberty, like good health, is a blessing which can be abused and destroyed; but our very liberty itself depends upon our voluntary discipline, our inner-control, and the true love of those ideals which are so much a part of our national heritage."

"If ever we needed the spirit of good will, cooperation, and understanding, it is now when events have forced America into its place of world leadership. Certainly, it offers each of us the opportunity to place the 'ounces of our weight' in the front lines of those forces which develop the American ideal. In Canada and the United States we have more than \$300 billion of life insurance in force and over \$80 billion of assets. We have a tremendous obligation to our policyholders to offer our leadership talents in helping to maintain a sound economy."

Mr. Sick recalled that it was exactly 25 years ago that he attended his first annual meeting of A.L.C. He reviewed the proceedings of that 1928 meeting, held in St. Louis, and recited a number

(CONTINUED ON PAGE 28)

From Nebraska to New Jersey



President T. A. Sick of Security Mutual Life of Lincoln, Neb., retiring president of the American Life Convention, passes the symbol of office to his successor, Ralph R. Lounsbury, president of Bankers National Life of Montclair, N. J.

EXECUTIVE VICE-PRESIDENT'S REPORT

Hogg Sees Trend Away from Efforts to Give All Social Coverages to Government

In the past few months there has been a noticeable trend veering away from efforts to put all the various comprehensive social coverages in the lap of the federal government, said Robert L. Hogg in his report as executive vice-president at the annual meeting of the A.L.C. in Chicago.

"More attention is being given to claims of private insurance that it can furnish this service," he said. "This doesn't mean that claims of private insurance have been accepted. It means that the march of these social coverages toward government has been temporarily stopped. The Congress and the Department of Health, Education and Welfare want to hear more about what private insurance can do. It seems to be a sort of probationary attitude. Advocates of direct federal control will be extremely critical of what may be done on a voluntary basis."

"Yet there is danger in developing the wrong kind of voluntary machinery. For example, there is strong pressure for federal subsidy of voluntary non-profit plans. This may be but one step removed from a wholly federal plan. Government subsidy will always carry government control. Indeed, there may be little difference between the private plan, federally-controlled,



Robert L. Hogg

and a simon-pure federal plan. The federally subsidized voluntary non-profit plan is a big step toward a wholly federal plan."

"Those with the philosophy that everything big must be done by government are not so much in evidence. They can, and probably would, reappear in a different political atmosphere. Those who would have supported government operation in these other social fields because they doubted the capacity of private insurance to meet the need, are more in evidence, asking assurance by private insurance as to its capacity in this field. What philosophy prevails will greatly affect the individual's desire for private insurance."

Mr. Hogg said that in this general field of social security the A.L.C. has had only a vague policy. It didn't oppose the establishment of social security in the first place; in fact many individual companies made contributions toward its perfection, but so far as a broad, over-all social security policy is concerned there has been little or none.

The closest approach was the 1944-45 joint statement by committees of the Life Insurance Assn. of America, National Assn. of Life Underwriters, and the A.L.C. It was not formally adopted, however, by either the L.I.A. or A.L.C. The position taken by A.L.C. and L.I.A. has been on the basis of each particular social security legislative proposal.

"It has seemed," he said, "that we should have a clear declaration of

(CONTINUED ON PAGE 28)

3 Sections Would Meet with Their Opposite Numbers

Agency, Legal, Medical Units Involved; Would Still Retain Identities

By ROBERT B. MITCHELL

Elimination of duplication of life insurance meetings in the agency, legal and medical fields moved a long step closer this week with the decision of the American Life Convention executive committee at the annual meeting in Chicago that the A.L.C. staff and the officers of three of the four A.L.C. sections should work toward the holding of joint meetings with other organizations engaged in substantially parallel activities. The Financial Section is not affected, since there is no other organization that could be considered its "opposite number."

The plan does not contemplate the abolition of the Agency, Legal or Medical Sections but rather the holding of joint meetings with L.I.A.M.A., the Assn. of Life Insurance Counsel, and the Assn. of Medical Directors, respectively.

The staff and Agency Section were directed to confer with L.I.A.M.A. and endeavor to work out a joint basis for

OFFICERS ELECTED

President—Ralph R. Lounsbury, president Bankers National Life of New Jersey.

Executive committee members—Frederick D. Russell, president Security Mutual Life of Binghamton, N. Y.; Burke Baker, chairman American General Life of Houston; Edwin W. Craig, chairman National Life & Accident; John A. Lloyd, vice-president Union Central Life; and David M. Morgan, president Northern Life of Seattle.

a fall meeting, which would presumably be at the time of the L.I.A.M.A. meeting in November. The A.L.C. conferees are to report back to the executive committee.

The staff and Legal Section officers were authorized to invite the Assn. of Life Insurance Counsel to hold its fall meeting jointly with the annual meeting of the A.L.C. Legal Section. The association also has a spring meeting.

The staff and the Medical Section officers are to confer with the Assn. of Life Insurance Medical Directors with a view to holding a joint meeting. The A.L.C. Medical Section does not meet at the same time as the other sections, so the problem of whether to meet at the time of the A.L.C. annual meeting does not exist.

The A.L.C. executive committee's action is a step toward implementing recommendations of the joint A.L.C.-Life Insurance Assn. committee, headed by President Louis W. Dawson of Mutual Life, that has been studying the problem of the superabundance of meetings, quite a few of which func-

(CONTINUED ON PAGE 28)

Ray Murphy Takes Bearish Position On Rise in Percentage of Common-Stock Holdings

President Ray D. Murphy of Equitable Society, in his address at Thursday's general session of the American Life Convention, took a decidedly bearish position on any substantial rise in the ratio of common stocks held by life companies.

He pointed out that at the end of last year the companies had about \$800 million invested in common stocks, or a little more than 1% of their assets and a part of even that modest amount came out of corporate reorganizations in the 1930s.

"It is not hard to account for the companies' avoidance of substantial investment in common stocks," he said. "They are the least secure form of corporate investment, ranking behind bonds, mortgages and preferred stocks and fulfill least well our obligation to invest securely the funds provided by our policyholders to meet their eventual claim payments.

"They present a special surplus problem to provide for the wide market swings which can occur, as history so well has demonstrated. Furthermore, the great variance in the income which comes from them at different periods does not correspond well with the obligation of the companies to add

prescribed rates of interest each year to their reserves.

"It therefore should not be cause for any doubt why the companies which have such obligations to their policyholders take the position that any substantial investment in common stocks would not meet their requirements. Before dropping this subject, I should like to add a personal view. The holder of common stock in a corporation is an owner of the business, and as such bears part of the responsibility of management. I question seriously whether it is the interest of the companies to bring them so close to management responsibilities in great numbers of industrial and other corporations even though the stock owned might be a small percentage of a corporation's entire stock; and I also question seriously whether in the long run the companies would remain free from forms of political pressure which might handicap us in the discharge of our obligations to our policyholders."

In discussing the adjustment of life insurance to changing needs, Mr. Murphy pointed to the development of group life insurance which, despite its so-called mass coverage, he said, is founded on sound principles.

"But because it was mass coverage," he declared, "it has sometimes been misunderstood to the point where occasionally it has been thought that any mass of people could be covered by group insurance. This is not the fact. From time to time proposals are

made which violate essential safeguards; even some of our state statutes would specifically authorize group life insurance in circumstances that are unsound."

Discussing insurance against the cost of medical care, Mr. Murphy said that of all the contingencies with which life insurance companies deal, none is so uncertain and needs more experimentation than ill health and the financial provision for medical care.

"Let it be hoped that the companies and their trained experts will be unhindered in creating and trying out coverage and that we shall avoid legislative enactments which would almost inevitably create impediments to true progress," he said. "The country can ill afford to make any missteps in that direction."

Turning to inflation, Mr. Murphy said that "for an enormous number of individual policyholders the depreciation of the dollar means that the ability of their prospective beneficiaries to purchase food, pay for the maintenance of a home, and clothe themselves has been cut in half, on the basis of present price levels. The individual policyholder's former plans for their maintenance have in this way been half destroyed.

"It may be said that the best thing for the policyholder to do is to buy additional life insurance so that his beneficiaries may still have the goods and services which he originally planned, despite present price levels," he said. "Many have done so, but for many this is impossible because of ill-health, age or limited income. For them the die is cast, and they have become victims of the sad fact that

individual planning to carry one's own responsibilities for the future are largely dependent upon a reasonably stable price level.

"I have been very much encouraged to see a widening appreciation throughout the country of the detriments and ultimate dangers to our economy of a continuing inflationary policy, and to see the first steps to stabilize the situation. I have great confidence that we in the life insurance business will encourage and cooperate with those who seek to solve this problem."

Mr. Murphy criticized the thinking of "some of our over-enthusiastic friends" who have implied that life companies should be able to disregard completely the war hazard in accepting new business.

"War hazard is one thing when it arises out of old policies purchased in times of peace," he said. "It is quite another thing when new applications can flood in and are purchased because the policies would cover an important but uncertain war risk at inadequate rates. The companies doubtless have stretched as far as they can individually justify to accept new business without magnifying the importance of war risk but there is no legitimate way in which they can entirely undertake that responsibility which is national in character."

• Included in the insurance curriculum being offered this fall by the evening and extension division of City College of New York are courses in group insurance and pension plans, principles of life insurance and personal A. & H.

ANOTHER JEFFERSON STANDARD PLUS:



Mr. 4% represents Jefferson Standard.

Jefferson Standard, now guaranteeing 2½% on policies currently issued, has never paid less than 4% interest on policy proceeds left on deposit to provide income.

\$10,000 non Medical!



Renewal Commissions accumulated at 4% interest compounded annually. Our agents have \$1,400,000 on deposit with us!



5% commission paid on single premium life and endowment plans!



2% service fee!

65% graded contract!



5% extra first year commissions on most policies over \$5,000!



Liberal retirement plan for full-time agents, plus group life insurance!



4% interest paid on policy proceeds and dividend accumulations!

Jefferson Standard LIFE INSURANCE CO.

HOME OFFICE: GREENSBORO, N. C.

October 9, 1953
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R. E. Pille Urges Realistic View of Turnover Problem

Common to All Sales Lines, But Even Small Gain Would Pay Big Returns

No business can guarantee success to its salesmen, Richard E. Pille, vice-president of Mutual Benefit Life, told the American Life Convention meeting at Chicago this week in a speech highlighted by documented answers to critics of the high turnover of life insurance salesmen.

Mr. Pille, who heads Mutual Benefit's agency department, told a meeting of the agency section that it is important that the business recognize turnover as a normal business condition. It is also important, he said, to have some idea of what may be a normal turnover rate to expect in the life insurance industry. He urged that the business strive to improve selection, training, and supervision of agents, for a gain of even a few percentage points in turnover rates can represent a major step forward in economy. If enough energy is then applied, objectives can be achieved in spite of normal turnover.

"What is the success ratio in America?" Mr. Pille asked. "What business can guarantee success? None. Only relatively few salesmen succeed in a substantial manner in any industry. So with us. Should all this stop us from recruiting? No, for we have an opportunity second to none. We only owe men the opportunity for success. In life insurance selling, success opportunity is as great or greater than other lines of endeavor and with special advantages for that man peculiarly suited to our calling.

"My point is this: As an individual or as a company, turnover of salesmen has been with us and it always will be. All right, let's recognize it and put it to work. That means a greater application at our job so that we get the desired end results after turnover has had its effect, namely, enough successful salesmen to cover the market—blue collar or whatever market we are attempting to reach.

"It would be fascinating to see an accurate study of distribution costs in other businesses in relation to our own. I believe we would show up very well. We have no tax dollars to spend. We have no expense accounts to deduct. Some have said we are fortunate in not being permitted to invest as heavily in sales management props as is industry at large. We have been forced to do a better job of building an economic distribution system than we might otherwise have done. While our distribution costs have risen and we must make every effort to control them (that includes agent financing), on the whole I think we have done a very good job indeed during a rough inflation period."

Mr. Pille pointed out that no other

business devotes the time and study to problems of the unsuccessful agent as does the life insurance business. However, he introduced some available figures to show the turnover among salesmen in other lines of selling. Mr. Pille said that the average turnover for the period 1947-1952 of all employees in the manufacturing industry was 51.3%. In other words, one out of two workers in the manufacturing industry, not only salesmen but every one in the industry, changes his

job each year.

Turnover, he explained, applies not only to human beings but also to the "corporate person." A survey of the U. S. Chamber of Commerce in 1951 showed that during the eight-year period of 1944-1952 almost 25% of the operating businesses in the United States discontinued business for some reason or other.

Turning to professional men, he presented figures brought out at the Institute of Life Insurance Manage-

ment at University of Illinois in 1950 showing a high degree of turnover among lawyers, doctors and other professional men. For example, of 218 men in the final year of law school of a great university, only 44% were actually practicing law 18 months later. The figure for the medical students was 53% practicing medicine at the end of two years after the final year in medical school. Other professions showed similar turnover.

(CONTINUED ON PAGE 34)



R. E. Pille

the Eyes of the Nation are on the

Southland

The Southland is no longer only the agrarian giant of the nation... it has become a giant of industry also.

Daily, multi-million dollar industries arise throughout the South. Industry-sponsored and university research laboratories are developing the South's great and heretofore barely tapped resources... water, petroleum, natural gas, minerals and forests... bringing about phenomenal developments in chemicals, hydro-electric energy, electrical goods, metals, synthetics. And the traditional industries of the South... textiles, wood products, tobacco, livestock, fruits and vegetables... continue in growth and importance.

In this newly diversified Southland, Southern leadership has established a wise balance between agriculture and industry. The new is welcomed and encouraged... and the old ways are protected so that today, soil conservation and rangeland improvements are major projects. Add to this long-range policy of wisdom, the tangibles of extensive water and rail transportation, economical location sites and a stable and competent labor supply and it is apparent that the Southland's potential of growth and prosperity is unlimited.

Yes... the eyes of the nation are on the Southland, viewing with interest and favor its steady, determined progress. Southland Life Insurance Company, motivated by this same forward spirit, is proud of its contributions to this development as part of the great South. It is constantly striving to provide better services for the South... and for the Nation.

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Urges Asset Reserve Setup to Permit More Equity Buying

Life insurance companies should be permitted to establish asset reserves that would stabilize the long-range valuation of preferred and common stock investments, it was proposed by Haughton Bell, vice-president and general counsel of Mutual Life of New York, before the Legal Section at American Life Convention's annual meeting. He said such action might be one important influence permitting a greater amount of investment in stocks by life insurance companies and more equity financing by business.

Mr. Bell also recommended that life insurance companies be permitted to set up asset reserves for their mortgage loan investments. "Mortgage loans have fluctuated in value perhaps more than is generally realized," he stated. "Since mortgage loans are generally a less liquid form of investment than securities and are therefore even more likely than securities to be held until maturity or default, there is greater reason to value them on a long-term investment basis."

The Mutual of New York executive pointed out that, as of Sept. 30, holdings of preferred and common stocks amounted to only 2.8% of the total assets of 49 life insurance companies with 88% of the assets of the entire industry. In contrast, he said, British life insurance companies, which are free to set up such reserves as they deem necessary, held more than 10% of their assets in preferred and common shares during 1950 and 1951. Many, he said,



Attending the A.L.C. meeting from the Washington office, left, Robert A. Crichton, counsel, and Mrs. Crichton.

held more than 20%, and some more than 30%.

While other factors have also had an important bearing on this picture, "it is unquestionably true that the method of valuing stocks has influenced the thinking" of American life insurance companies, Mr. Bell asserted. "Every investment officer and committee formulating investment policy knows the market fluctuations to which stocks are subject and must calculate the extent to which such fluctuations may decrease a surplus very seldom more than 10% of assets," he said.

He pointed out that "a 10% drop—not very much—in the market prices of stocks aggregating only 5% of total assets would take over ½% off surplus. Investment officers must think twice before they will invest much in

a form of investment which can never be large, but which, because of the fluctuations in this single type of investment alone, can so easily reduce surplus to such an extent."

Continuing, Mr. Bell said "the important thing" was for the life insurance industry and regulatory authorities "to get started" in the matter of asset reserves against stock investments. "It would take a fairly long time to build up a substantial reserve and the companies would probably proceed by starting out slowly, gradually widening the portfolio as the reserve accumulated," Mr. Bell reminded the insurance group.

Mr. Bell's comments were among several proposals that highlighted his 76-page review of efforts to find a way to value the assets of life insurance companies on a long range basis.



On the way through the "Passage" at the A.L.C. annual meeting: Alfred N. Guertin, convention actuary, and Mrs. Guertin.

LEE PARKER'S REPORT

American Service Bureau Not Naming New Executive V.P.

President Lee N. Parker of American Service Bureau, reporting at the executive session of the A.L.C. during the Chicago meeting, said 49 more companies had been added during the first nine months of 1953, that the A.S.B. had reached a new peak in dollar volume of inspections for the 12 months ended Aug. 31, and that for that period the amount of inspection service was three times that given in the similar period 10 years ago. The bureau has been expanding its service facilities, the most recent addition being the office at Lubbock, Tex.

Speaking of the recent death of Robert R. MacKenzie, executive vice-president of the bureau, Mr. Parker said his death "has grieved us all and has taken from us a most capable and devoted associate." Mr. MacKenzie's exact position is not being immediately filled but his executive responsibilities are being shared by others in the headquarters office who have served the bureau from 27 to 30 years and were his right-hand associates.

Mr. Parker said that Otto Elder, who has been with the bureau 30 years, has been advanced to the rank of vice-president.

Gaines Is 3-Times Speaker

C. E. Gaines, vice-president and agency director of Great National Life, was the principal speaker before two Houston insurance groups, Oct. 7-8—Houston Managers & General Agents and Houston Life Underwriters Assn., respectively. He speaks before the Shreveport, (La.) Life Underwriters Assn. Oct. 9.



Luminary lineup at the A.L.C. meeting at Chicago: left, Gordon C. Reeve, associate general counsel of Lincoln National Life; Joseph A. Budinger, vice-president and actuary of Kansas City Life; George Vinsonhaler, 2nd vice-president of John Hancock, and Cecil F. Cross, vice-president and director of agencies of Lincoln National Life.

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L. D. CAVANAUGH
President

SPENCER R. KEARE
Executive Vice-President

Section 231 Too Complex to Stand Further Amending, Must be Rewritten, Davis Says

If a law is to apply to all life companies, with their differences in corporate set-up, size, composition of business, type of agency organization and other areas, it cannot be brief and simple, Malvin E. Davis, vice-president and chief actuary of Metropolitan Life, told the Legal Section of American Life Convention, at its meeting at the Edgewater Beach Hotel, Chicago, in his discussion of the "ABC's of Section 213."

But the New York state expense limitation law, said Mr. Davis, who also is vice-president of Society of Actuaries, has exceeded normal standards of complexity because of its numerous amendments, and should be completely rewritten.

Mr. Davis traced the history of the origin of 213, covering establishment of the Armstrong committee and the legislation which resulted from its investigation. This law was, in turn, revised in 1920, and in 1927 a committee was appointed to amend the section, being advised of certain objectives.

"The law which resulted from the attempt to attain these objectives in detail was long and complex," Mr. Davis observed. "The statute in that general form has continued to the present day with amendments in the interim which have added to its complexity."

Among the difficulties that have arisen under the section as it stands today, he said, are these: "Compliance with this limitation (on field expenses) is required on a year-by-year disbursement basis. The inclusion in this expense limit of the year's disbursement for renewal commissions without some provision for reflecting the extent to which a company may heap its renewals has been a defect in the structure of this section. . . While the total cost over the life of the policy may be the same under a heaped renewal or a flat renewal scale, the actual amount disbursed in any calendar year for renewal commissions may differ substantially. . . The legal limit formula. . . does not accurately reflect these changed conditions nor does it make allowance for the higher costs resulting from general inflationary influences.

"The limit on total expenses was similarly affected. It does not take into account the difficulties caused by the

varying incidence of renewal commissions, and the new business element does not have sufficient weight. Furthermore, the general increases in costs due to economic conditions that are not subject to company control have also further reduced the margins that would otherwise be available."

In 1948, Mr. Davis recalled, the section was temporarily amended for five years, expanding limits on field and total expenses pending a study of the problem by a joint committee of A.L.C. and L.I.A.A., but legislative action was forestalled by absence of the agreement of the New York state department.

These temporary increases in no way affected the state of the limits on agents' compensation, Mr. Davis said, and questions have arisen as to the extent to which current conditions warrant an increase in such limits to take account of the impacts of inflation, increasing employer-provided security benefits, and the longer time and greater expense currently required to arrange an insurance program for the applicants for larger policies. "There is some reason to think," he said, "that expenses may have increased at a greater rate than commissions."

Another shortcoming of the section as it is written today, Mr. Davis declared, relates to the 1952 amendment which permits general agency companies to pay the general agent for supervision a commission up to 5% of the first-year premiums in addition to his own first-year commissions. "However, the full 5% additional is available only if the general agent actually supervises other agents, and the volume of his personal production is less than half of the business produced by his agency."

When the temporary increases in field and total expense limits expire at the end of this year, Mr. Davis cautioned, "an appropriate, more permanent, basis still must be found for meeting the higher expenses occasioned by inflation, and for taking account of the incidence of renewal commission payments."

Still another objective must be checking the sharpness with which a small company's compensation allowance dips as the company increases in size, he said.

Cashiers Elect at Detroit

Charles H. Atkins, Phoenix Mutual, has been elected president of Life Agency Cashiers Assn. of Detroit and Windsor. William E. Ladzick, Connecticut Mutual, is vice-president; Edna Hagerman, New England Mutual, secretary, and Emily Anne Pippin, Bankers Life of Iowa, treasurer.

General counsel huddle at the A.L.C. meeting: Left, John Barker, Jr., vice-president and general counsel of New England Mutual; Henry R. Glenn, associate general counsel Life Insurance Assn., and Ralph H. Kastner, convention general counsel.



In the lobby during the A.L.C. meeting in Chicago: William B. Stannard (left), agency vice-president of Occidental of California; Leslie J. Cooper, associate actuary of Pacific Mutual; Lee N. Parker, administrative vice-president of A.L.C. and president of American Service Bureau; and Horace W. Brower, president of Occidental.

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These plans pay expenses
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Sound management and an aggressive agency development program are responsible for this achievement.

Future expansion promises to be even greater as more and more youthful, energetic life insurance career men take advantage of the greater opportunities offered by a liberal general agency agreement in the fastest-growing economic section of the country.

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Ray H. Peterson, President
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Fischbach Analyzes Factors Affecting Validity of Aviation Exclusion Riders

There are eight types of statutes or court decisions affecting the validity of aviation exclusion riders and one or more of them will need to be taken into account in forming a reasonably sound opinion of the validity of an aviation exclusion rider in virtually every state, said John W. Fischbach, general counsel of Minnesota Mutual Life, at the meeting of the Legal Section of the American Life Convention at Chicago this week.

In addition to setting forth these eight principal factors, Mr. Fischbach included in his paper an analysis of the laws and court decisions in each state and the District of Columbia not only currently but covering the past 20 years during which aviation exclusion riders have been in general use. This was done because of interest not only in current issues but in outstanding policies, since the validity of the policy provision is tested by applying the applicable laws which were in force at date of issue.

Mr. Fischbach listed the eight principal factors to be taken into consideration as follows:

1. A "permitted exclusions" statute specifically authorizing limitation of liability for death from stated hazards, including aviation. This may be a separate and independent statute (Washington), a separate subdivision of the standard provisions law (New York), or a separate subdivision of the prohibited provisions law, qualifying or limiting application of the mode of settlement statute (Tennessee), or of both the mode of settlement law and the incontestability statute (Michigan).

2. An incontestability statute so worded that a "mandate-as-to-coverage" concept of incontestability is indicated, but containing coverage exceptions which include aviation (Illinois) or the narrower word "aeronautics" (South Dakota); or there may be an exception expressed in more general language such as "hazardous travel" (New Jersey) or "other prohibited risks" (Utah) and which might be expected to support an exception of the aviation hazard.

3. A mode of settlement statute which otherwise might be susceptible to unfavorable judicial interpretation as prohibiting risk-exclusion but which either excepts aviation risk exclusion from its scope (District of Columbia) or expressly grants permission to exclude the aviation hazard (Texas).

4. A statute of the kind recommended by the Holland committee of Life Insurance Assn. of America (headed by Benjamin Holland, president of Phoenix Mutual) which defines incontestability and states that the incontestable clause shall not preclude the insurer from basing its defense upon a risk-exclusion provision (Virginia). Mr. Fischbach characterized that type of statute as a legislative adoption of the Conway doctrine (Metropolitan Life vs. Conway, superintendent of insurance, (1930) 252 N. Y. 449, 160 N.E. 642). This was to the effect that an incontestability provision is not a mandate as to coverage and that it is no bar to a defense that the loss occurred as a result of a hazard not covered by the policy. Coupled with a "permitted exclusions" statute (as in Louisiana), the arrangement actually represents a compromise between the Conway principle and the

"mandate" theory in that it contains some elements of each, but it seems to be an acceptable solution of the risk-exclusion problem as far as validity is concerned.

5. An incontestability statute containing coverage exceptions which do not include aviation (Wyoming) and which, by thus specifying some permit-

(CONTINUED ON PAGE 38)

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Increased death benefits • Lends money without interest • Converts to lower premiums at wish of insured • Nine options in one policy.

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Homesteaders Life specializes in sub-standard and brokerage business.

Liberal Agency Contracts with modern financing plan.

You owe it to yourself to investigate Homesteaders' Agency Contract. Write Carl A. Everett, Vice-President and Superintendent of Agents.

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Agency Problems a Vital Responsibility of Top Management

President Holderness of Jefferson Standard Life Addresses ALC Agency Unit

Life company top management must take as much responsibility for agency affairs as it does for the investment, underwriting, home office administration, and other phases of company operation, said President Howard Holderness of Jefferson Standard Life at the Agency Section meeting of the American Life Convention at Chicago.



Howard Holderness

"Company top management has one predominant all-embracing responsibility—that of bringing our product and service to the prospective buyer in such a manner as to make and keep him a satisfied policyowner," said Mr. Holderness. "We are endeavoring to meet this objective through the operation of the agency system, with particular stress on the development of full-time career underwriters..."

"Perhaps we have not made as much progress in solving our distribution problems as we have in other areas. Is

it that sales problems are more fluid and more complex or is it that we just haven't devoted as much time and attention to problems relating to our field force as we have to other phases of our business?

"Not only do I believe the opportunity for greatest improvement lies in the area of distribution of our product but I believe that improvement in that area of our business will pay off far more handsomely than in any other area. If you agree, then top management not only has a responsibility for agency operations but the greatest challenge and opportunity for top management lies in the area of distribution."

Mr. Holderness said that if asked, most company officers would probably say they understand the problems of the field force. They feel this way because they have participated in home office committees and discussions, they are personally acquainted with a number of agents and managers, and most of them have spent long years with their companies. But, he asked, do these officers really know the value of an agent? Do they know what a good agent means to the company? Do they know the cost of replacement?

"Or perhaps," he said, "the real question is this: Is each officer in your company as concerned over losing a quarter- or a half-million dollar producer as he would be over the loss of a good man in the home office? We should think about these questions as they relate to our own companies."

"Some company officers may feel that they do not need to be too concerned about problems relating to the field force because they think these problems belong to the agency department."

(CONTINUED ON PAGE 34)

Booth Says Courts Overwork Ambiguity to Sidestep Effort

The troubles and misunderstandings that arise in interpreting life insurance applications and policies because the same word can mean different things to different people were discussed by Vincent V. R. Booth, counsel of New England Mutual Life, in his paper, "A Study in Semantics," presented at the Legal Section meeting of the American Life Convention this week at Chicago.

Semantics he defined as the science of meanings, "the historical and psychological study and the classification of changes in the signification of words or forms, viewed as normal and vital factors in linguistic development."

The troubles encountered in the use of words, the speaker explained, arise from the fact that words often convey different meanings to the draftsmen of policy forms, to applicants, medical examiners, underwriters, insured, beneficiaries, claim department managers or officers, and, of greater significance, to judges whose interpretation of the instrument will determine the rights and liabilities which flow therefrom. In his address, he discussed the use of words in two basic types of insurance documents—the application for the policy and the life policy itself.

In connection with the former, Mr. Booth examined a number of court decisions that hinged on the interpretation of the wording of questions contained in the policy application and the answers that were given by the insured. He told of differences the courts found between being under a doctor's

care and being examined by a doctor, between being attended by a physician and consulting with him, and of having an ailment and having a disease.

Even more difficult, Mr. Booth said, are those situations when the questions turn from factual situations to the subjective mind of the applicant. He told of a case where the question, "Have you ever suffered from any ailment or disease of the brain or nervous system?" was said to seek to probe the insured's mind and a truthful answer to the full extent of the applicant's knowledge did not constitute a false representation.

The suggestion has been made, he said, that to avoid these difficulties, all questions in the medical examination should be phrased to elicit a factual response. Certainly questions of a subjective nature are of little value if the mind of the person interrogated is closed against the obvious. Under such circumstances the company must proceed with caution and rely to a greater extent on the avenues of inquiry revealed by answers to factual questions.

Mr. Booth suggested that perhaps the answer to the problem of the choice of words in the medical questionnaires "does not lie in the cold phraseology of the printed application, no matter with what degree of care it has been prepared, but in the techniques of the medical examiner and the underwriter as established by the company's medical director and underwriting executives. If the medical examination is conducted in haste, with the examiner paraphrasing questions, hurriedly inserting answers and pointing with a flourish to the place where the applicant is to sign, the careful thought of home office counsel in drafting the

(CONTINUED ON PAGE 30)



carefully selected



thoroughly trained



career-minded

the Cal-Western
agent is a **CREDIT**
to his profession
(... and yours!)



**California-Western States Life
Insurance Company**

HOME OFFICE: SACRAMENTO

Trend From Giving Social Coverages to Government

(CONTINUED FROM PAGE 21)

policy for staff guidance, rather than form policy on a day-to-day basis."

Mr. Hogg said that with this objective the L.I.A. and A.L.C. appointed a joint committee under President Asa Call of Pacific Mutual, and as a result of its work and that of its sub-committees the committee will have for presentation to the governing bodies of the two organizations a report embodying broad policy which can be used as a staff guide dealing with the multitude of questions that are bound to arise when the congressional committee convenes.

Since President Claris Adams of Ohio State Life would be reporting at the executive session next day as chairman of the joint committee on federal taxation of life companies, Mr. Hogg said he was limiting his own comments on this subject.

"The mere fact that we have been so long operating under a sort of temporary arrangement, with the promise of governmental officials of a different formula carrying with it a degree of permanence, continues to pose problems for the business," he said. "The public doesn't understand the life insurance business. It doesn't understand the present method of taxation. As a matter of fact, it has never understood any method of the taxation of life insurance companies. The public comes more nearly to understanding the present 6½% formula, than it does the reason for it."

"The whys and wherefores of the federal income tax problems each year produce additional complications. The

public, and the members of Congress as a group, cannot understand why we must be living under a temporary formula. In connection with the extension of the 6½% act for another year, one former member of the Senate went so far as to place the blame upon the companies. He was unaware of the fact that the government was charged with the responsibility, through a mandate to the ways and means committee, to bring forth a new formula. He seemed to think that this temporary situation was one of our own making, and that we wanted it to prevail as it is. It does seem that the coming year will bring forth some administration program which will require much attention."

Mr. Hogg pointed out that much federal governmental policy and much federal legislation can and does affect both ability and the desire of the public to buy life insurance. The life insurance business, he said, is vitally interested in the preservation of a sound economy under which mass purchasing power exists for the purchase of life insurance. This gives the life business a particular stake in federal income taxes because higher taxes make it more difficult to save money with which to pay for life insurance. Moreover, the individual is discouraged from buying when he sees his dollar's purchasing power being whittled away.

Mr. Hogg reported that A.L.C. has 233 members as against 234 a year ago, the reduction being due to a consolidation of two member companies. It received 11 applications for membership in the past year but deferred action pending development

by the executive committee of some uniform policy as to qualifications for admission. A special committee has been working on this for some months and would probably be reporting at one of the executive committee meetings this week, he said.

Reviewing the work of the Washington offices of A.L.C. and L.I.A. he said:

"In the three years the business has had these Washington offices, we have been able to establish important channels of information with the working staffs of government departments. We are called upon more and more to furnish information and assistance to the Congress and governmental agencies in areas where the background and source material of the life insurance business is invaluable in the analysis of specific federal problems. There is a more understanding atmosphere for our business in Washington."

"We are better able to understand the problems facing the administrators of government. Unlike the states, the federal government has no one bureau or even a section or division of a bureau whose sole interest is the insurance business. For that reason, we better appreciate the necessity of taking our place alongside all other segments of American business in patiently awaiting the outcome of the study of some of our particular problems. We have, of course, maintained effective coordination between our Washington and Chicago offices. The addition of our new administrative vice-president, Lee Parker, has made such coordination exceedingly effective."

After reviewing the general Washington picture, Mr. Hogg mentioned matters of direct interest to life insurance—the administration's position against cheap money, the setting in motion of machinery to extend coverage to some 10 million professional and similar groups not now eligible for benefits, and extension of the life company income tax act to include 1953 business.

As to the future, Mr. Hogg pointed out that while problems at the state level are usually specific and "we generally know what to try to do to meet them," the federal picture is different, the problems are nebulous and the solutions may be without precedent.

Sick Sees Responsibility. Leadership Linked

(CONTINUED FROM PAGE 21)

of events which happened then to show that we are living in a world of constant change.

Four papers and reports of that gathering dealt with the aviation industry and the underwriting of aviation risks, he said. Today the procedure for underwriting these aviation risks is quite well established. He told how the optimism and accounts of the accomplishments of the life insurance business, which prevailed throughout every discussion in 1929, were followed two years later by a mild depression with six million unemployed, with the worst yet to come; by surplus crops, low prices and a severe rainfall shortage. At this point he praised the business for its show of strength in the face of the obstacles presented by the depression.

"This 48th annual meeting of the American Life Convention again meets in a time of change," Mr. Sick continued. "It is a transition period from open hostility in Korea to a truce which both sides believe must be kept by armed forces. While we are grateful that the giving of human life to hold the line against communist forces in China has now ceased, we recognize that in the transition period the problems of an enforced peace may be even more crucial than those of all-out war. That it is a transition period is also attested by the fact that since we last met, a new leader has taken over the control behind the Iron Curtain, and the unrest in the satellite countries but reveals the changing time through which we are passing. Here in our own country a new administration will soon round out its first year of office. So we note this past year has been one of crisis, crucial change."

"In reality the changes of our times are only different in degree from the changes throughout all generations. The one constant thread which runs through the story of humanity is that of change. In fact, it is this change in the world picture, in the national scene, and the local community which makes it necessary for management to exist. If policies could be established

to the AMERICAN LIFE CONVENTION:

We take this opportunity of congratulating the American Life Convention — the oldest and largest organization of life insurance companies—on their courageous leadership and fine accomplishments over the many years.

Our sincere best wishes are extended to the incoming officers and executive committees for an equally successful administration throughout the coming year.

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OUR BUSINESS IN FORCE IS IN EXCESS OF \$600,000,000
OUR ASSETS IN EXCESS OF \$140,000,000

Edward G. Simmons, Executive Vice-President



NEW ORLEANS, U. S. A.

Lucas Takes Over as Legal Section Chief

Ray B. Lucas, (left), vice-president and general counsel of Kansas City Life, was elected chairman of the Legal Section of A.L.C. at the annual meeting in Chicago succeeding Millard Bartels (right), vice-president and general counsel of Travelers. Willis H. Satterthwaite, counsel of Penn Mutual, was elected secretary to succeed Mr. Lucas.



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chief

in our business which would last for a generation, there would be little need for management; but it is because each day brings its own quota of decisions to be faced that management is so vitally necessary."

Here he applauded the companies and their managements for their show of leadership and pointed out the necessity for them to grasp the reins of responsibility.

"It is easy to feel that with every hour now crowded with 60 minutes of activity that there is no time for community service, leadership in civic enterprise, or even cooperation upon the national level," he declared.

"Yet one of the most heartening things at the moment is the way in which leaders in various fields of industry, many times at personal sacrifice financially, have joined with President Eisenhower in forming the new Cabinet and in filling various places of leadership. It simply means that these men have recognized their responsibility to do everything within their power to make our national life strong. If we were prone to criticize preceding administrations, the great obligation is all the more ours now to shoulder responsibility.

"As one of our poets expresses it, life calls for placing the 'stubborn ounces of our weight' where we believe their influence will count for the most good. One of the privileges of being an American or a Canadian is that we have the right to choose which cause shall have the 'stubborn ounces of our weight.' The choice is always ours."

Mr. Sick observed that the world is in a conflict at the moment over whether man has grown enough throughout the centuries of time to be inner-directed rather than outer-controlled—whether we are of sufficient stature to govern ourselves. The struggle is between the American freedom of the individual and the communistic concept that the state is supreme and that all individuals must bow to the directions of a dictator, he said.

He described the operations of A.L.C. during the past year and its accomplishments on behalf of its member companies and the life insurance industry, and touched upon the spirit of cooperation that prevails between A.L.C. and other life insurance trade associations.

Postal L. & C. Home to Feature Top-Floor Parking

Construction has begun on the new home office for Postal Life & Casualty of Kansas City and the seven-floor building is scheduled for completion next August. An interesting feature is that the two top floors will be used for parking approximately 150 cars.

The 147 by 127 building will be of modern design, with large areas of glass, through-out air conditioning and acoustical ceilings. A steeply-sloping lot adjacent to the home office will provide the means of "driving to work." A total of 36,000 square feet will be embraced by the \$1 million structure.

An addition of 50 employees, bringing the home office contingent to 150, is expected to be added to the staff. The move also will put under one roof the company's present main office as well as a near-by auxiliary.

Swenson Constructing Co. is general contractor and George L. Dahl of Dallas and Edward W. Tanner & Associates of Kansas City are architects.

Gov. G. Mennen Williams of Michigan will address the Oct. 12 meeting of Detroit Assn. of A. & H. Underwriters.

Moses Tells How Ark. Plan Instilled Spirit of Community Interest

A description of the "Arkansas Plan" was given at the American Life Convention Chicago meeting by C. Hamilton Moses, chairman of Arkansas Power & Light Co., Little Rock.



C. H. Moses

Following Mr. Moses' talk Thursday, he was honored at a reception given by Elmo Walker, president of Union Life of Little Rock. Mr. Moses is a director of Union Life.

The Arkansas plan was developed, Mr. Moses said, when state leaders began wondering what they could do to help Arkansas realize all its possibilities. One of the first objectives was to develop a plan which could show each community how to do its own building program.

Along with the help of the state government and other Arkansas organizations, trained men were made available to hold clinics in every community and help the people fix their own goals and blueprint their own future. Some 225 different communities have held such clinics, setting on the work boards more than 20,000 community building projects, half of which now are accomplished.

O'Shea, Burton Retire as New World Life Officers

Edward J. O'Shea, 1st vice-president and treasurer of New World Life, and Russell C. Burton, vice-president, secretary and actuary, have retired.

Mr. O'Shea became secretary of New World Life in 1911. He was later given the additional title of treasurer and subsequently became 1st vice-president and treasurer. He has been a director since 1910.

Mr. Burton joined New World Life as actuary in 1913 after having been with Pacific Mutual, which he joined in 1908 after graduation from University of Michigan. He was actuary from 1909-13. He was given the additional titles of secretary in 1919 and vice-president in 1942.

Canada Life's Millionth

Canada Life has issued its millionth policy, to Melville M. Brodie, a fuel purchasing agent of Hamilton, Ont. The policy was personally presented to Mr. Brodie by President E. C. Gill at a ceremony at the company's home office at Toronto. Present were Stephen M. Fletcher, who sold the policy; Vernon C. Hale, central Ontario manager, and James V. Young, Canada Life director.

Gets Home Office Group Post

David G. Supple has been appointed assistant manager of Equitable Society's group department.

A veteran of the last war, Mr. Supple joined Equitable in 1949 as a service supervisor. He was later made assistant to the manager of the northeastern department and in 1952 was transferred to the Greater New York department in a similar capacity.

• R. Randle Gilbert, who recently retired as president of Federal Reserve Bank of Dallas, has been elected to the board of United Fidelity Life, Dallas.

Three company presidents at the A.L.C. meeting: R. E. Irish of Union Mutual, Frederic W. Ecker of Metropolitan Life, and J. Howard Oden of North American Reassurance.



Snapped at the A.L.C. meeting, left, Karl Ljung, vice-president in charge of agency operations of Jefferson Standard Life; Willis H. Satterthwaite, counsel of Penn Mutual Life, and David F. Barrett, acting public relations director for the convention.

What is REAL job security?



At General American Life,

it's more than
a contract

it's a **LIFETIME SECURITY FRANCHISE**

As a thoughtful insurance man, you are properly concerned about your own future. But what is job security? Isn't it more than just what's in your contract? We think it is much more.

That's why we not only include

- ... liberal compensations for sales achievement
- ... extra bonus for quality business
- ... non-contributory provision for old age

but we go beyond the contract with many plus factors:

- ... group insurance plan for agents
- ... bonus prize point earnings
- ... all expense paid vacation-conventions
- ... salable merchandise with effective sales aids
- ... extensive education and training helps
- ... aggressive, progressive company philosophy

to give you real job security—a Lifetime Security Franchise.

As Powell B. McHaney, President, says, "For those who possess the ability, the energy and the determination to succeed, we believe L S F provides a franchise on happiness."



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One of the nation's leading mutual legal reserve companies
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A man is known by the company he seeks...

Woodmen Accident agents are proud
of the Company they represent!



If you see yourself in this picture—seeking a profitable, permanent career in a leading, agency-minded organization, write to

L. J. MELBY
Agency Vice-President

WOODMEN ACCIDENT COMPANY
CENTRAL ASSURANCE CO.
CENTRAL LIFE INSURANCE CO.

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Available in Illinois and states West of the Mississippi River.

It provides a Bonus Account.
\$10,000 Savings plan provides \$25,000 level insurance protection first 20 years.
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*Paid Up Insurance Option 20th year \$16,620—without evidence of insurability.
Old fashioned \$10.00 per month Disability Income available.
Contract issued sub-standard.
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Midland

NATIONAL LIFE INSURANCE CO.
WATERTOWN, SOUTH DAKOTA

Organized 1906

Courts Overwork Ambiguity to Sidestep Effort: Booth

(CONTINUED FROM PAGE 27)

application is a waste of time. If, as a matter of company policy, to meet the demands of the field forces, requests for statements from attending physicians are kept to a minimum, the claim committee must be prepared to take the consequences."

Turning to life insurance policies, Mr. Booth pointed out that the meaning of words in such contracts has been the issue in many court decisions. He said that in these cases one finds constant reference to the doctrine of ambiguity whereby courts reason that if because of ambiguity in language used in a contract there is doubt or uncertainty as to its meaning, and if it is in a form susceptible of two interpretations, one favorable to the insured and the other favorable to the company, the one favorable to the insured will be adopted.

After stating the doctrine he asked, "But when may a word or phrase in an insurance contract be properly deemed to be ambiguous? Are there in fact some words which are inherently ambiguous, with the result that the policy must be construed against the company despite the fact that the intention of the parties is clear when considered in the light of the circumstances under which the policy is issued? Is it not possible that the courts have overworked the doctrine of ambiguity and have seized upon it as a lame excuse for failure to make an intellectually honest attempt to determine the intention of the parties? Such a trend may well be disastrous when we take into consideration the fact that over a period of years there may be changes in the signification of words."

Mr. Booth then discussed several aviation exclusion provision cases to show that some courts have been unable to divorce themselves from the current attitude toward travel by air and to recreate the feeling in the minds of the parties to the contract when it was issued some years before.

The climax of ambiguity and semantics is a consideration of the Korean war cases, Mr. Booth declared. Cases construing the word "war" have gone through a twisted evolution from 1942 until the present time. In the Stankus case involving an incident prior to the United States entry into the second world war the word "war" as used in the policy was held to refer to no particular or kind of war, but to apply in general to every situation that ordinary people would commonly refer to as war. There was nothing in the policy justifying the conclusion that the word was used in any vague, indefinite or ambiguous sense. Shortly thereafter, in four out of five cases arising out of the attack on Pearl Harbor, it was held that the Pearl Harbor attack was not war, the courts concluding that "war" meant war in a legal sense which required a declaration by Congress, and little if any attempt was made to ascertain the minds of the parties at the time. Only in the case of New York Life vs. Bennion did the court clearly recognize that it was material to consider what the parties had in mind and concluded that "war" meant "shooting war."

The latter theory, the speaker pointed out, was used after V-day by three courts in cases involving deaths which occurred after cessation of hostilities.

In all three cases the company was held liable because the "shooting war" had ceased after the armistice.

Finally, Mr. Booth reviewed the cases arising out of the Korean war. He discussed in particular the Beley and Harding cases, involving in all 11 judicial opinions, resulting eventually in the Pennsylvania supreme court taking the position that the existence or non-existence of a state of war was a political rather than a judicial question and that in no event could the judicial arm of the government take cognizance of a state of war until there had been a formal declaration by the political department. He also reviewed the Gray, Weissman and Stanbery cases, all involving the Korean war, and holding that the term "war" had been used as ordinary people would have understood the term.

In concluding, Mr. Booth said, "The draftsmen of our policy contracts should be 'well educated gentlemen—learned in peering of words.' In due time when controversies arise, whether it be over a question in the application or the meaning in the word of the policy itself, our executive officers and we as their counsel should exercise restraint and understanding in our dealings with the insured and his beneficiary. If litigation must ensue, we are entitled to an honest attempt on the part of the courts to determine the intention of the parties at the time when the contract was entered into. The words used should be given the signification they then enjoyed. For the rest, we can only hope for an intelligent and conscientious judiciary which will eschew the easy doctrine of ambiguity and look into its heart that justice may be done."

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Training Average Agent Means 'Retraining' the Home Office Man, Ben F. Hadley Says

The salvation for the average agent, for whom so many records both prove and predict failure, lies primarily in a change of attitude among front office personnel, Ben F. Hadley, vice-president and superintendent of agents of Columbus Mutual Life, told the Agency Section at the annual meeting of American Life Convention at Chicago.

Superintendents and directors and others who are responsible for the performance and production of their agents, very often forget the specific classification into which the average agent falls, Mr. Hadley said. Because of this they are wont to shy away from the simple, rudimentary tools with which it is necessary to equip the average agent in order to stop the tremendous tide of black reports concerning his record that come from such organizations as L.I.A.M.A.

What are these black reports? Well, even without them it is evident that "activating the average agent is the toughest and most disheartening job executives have to do and all of the figures which you and I look at from time to time prove to us that we are not getting it done!" Boiling down figures from L.I.A.M.A. and other organizations, Mr. Hadley has found that the average agent now in the business will fail and pass out of the business, and that the average agent who is recruited this year also will fail and pass out.

As an example, Mr. Hadley presented L.I.A.M.A. statistics showing \$1 million being produced by a group of these agents at the start of a five-year period, the figure dropping 41.7%

at the end of the period as a result of agent failures.

Here, in brief, are a few of the L.I.A.M.A. research reports cited by Mr. Hadley in his talk: 1949, from a representative sample of 1,853 inexperienced ordinary agents, the percentage of survivors through 1948 was only 22.8%; 1951, a broad study indicated that only one out of three new recruits survives for two years; 1953, from the representative sample of 1,510 agents appointed in 1947, only 48.9% survived their first year, only 30.9% survived their second year, only 22.2% survived their third year and only 16.6% survived their fourth year. All this indicates, Mr. Hadley said, that the average agent is the "little man who isn't there any more."

Are the problems of recruiting, financing agents, agency costs, etc., linked to that of activating the average agent? Mr. Hadley thinks so. "Solve the problem of activating the average agent and the solution to these other problems will be relatively simple and easy. Until we do solve that first problem, we will never find a satisfactory solution to the others."

What about the standard excuses which Mr. Hadley termed "easy justification" for the failure of the average agent? He considered them one at a time, starting with "We are already selling so much life insurance that there is just no place in this business of ours for the average agent." To disprove this, Mr. Hadley quoted part of an address by Dr. S. S. Huebner, in which the president-emeritus of the Wharton school declared, "We have

not even kept pace, life insurance-wise, with the inflation that has been our plague. Not even 1/7 of the dollar value of human life, as it relates to family dependents and business associates, is covered by life insurance today. We have done little more than scratch the surface of the needed life insurance market."

What about this one: "Today's high taxes and high prices have contributed to our failure to activate the average agent to the point of success." The only honest answer to this is "no", Mr. Hadley said. Personal savings are at an all-time high and still climbing, and the money is there for the average agent to turn into life insurance savings if executives can master the job of activating him.

Next on the list was this: Compensation plans and methods of financing new agents are not completely serviceable. Mr. Hadley resorted to another quotation to disprove this. He recalled that L. S. Morrison of L.I.A.M.A. said at one time, "There is no known way of successfully financing the agent who is going to fail. On the other hand, there are hundreds of different ways of successfully financing the agent who is going to succeed—almost any reasonable financing plan will work."

And, finally, is "poor selection" to blame? Mr. Hadley thought not. He said, "Further improvement in methods of selection will not solve this problem... and even on the basis of our present knowledge and techniques of selection, we could and should be activating a very much larger percentage of our average agents to the point of successful operation."

Is there any point in placing more emphasis on better bulletins, better company magazines, better contacts,

(CONTINUED ON PAGE 35)

Successful Agency Operation Depends on Agent, Cady Says

Recruit more agents. Recruit better agents. Assist the established agent to continue his growth and to capitalize to a greater degree on his maximum potential.

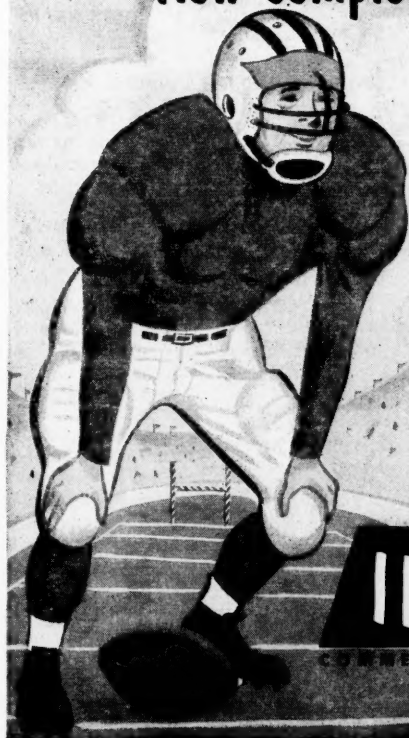
These three elements are vital to the increase in the percentage of spendable dollars put into life insurance, Herbert M. Cady, manager at Philadelphia for Connecticut General Life, declared in his address on "The Dwindling Percent" at the morning session meeting of the Agency Section of American Life Convention at the Edgewater Beach hotel.

Since the ultimate object of the life insurance industry is to distribute protection to the greatest number of people at the lowest cost, the agent must be recognized as the key, Mr. Cady said. Life insurance is distributed by agents and it will continue to be distributed by agents, and the amount of business that comes in without effort on the part of the agent is less than negligible, he added. "In my agency over the years the amount of such free business would not have provided trolley rides for a semi-retired agent with a greater than normal love for the good fellowship and comfort of the office."

Insurance must be sold, he said, and the public wants to buy, but it wants to buy tomorrow. It takes the agent to convince the public that it must buy today. He told his audience, "The business your individual company did in the first six months of 1953 was

(CONTINUED ON PAGE 35)

How complete can personal protection get?



For protection, would this man settle for just a helmet . . . or hip guards? Never! Because he never knows where, when or how hard he'll be hit, he carries complete protection.

Modern families guard against similar risks with *complete* personal protection. They need an agent who can supply the four types of coverage they need: Life . . . Income Protection . . . Hospital . . . Medical & Surgical Expense.

Yes, Inter-Ocean has these four types and others. No wonder agents like to do business with Inter-Ocean!

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INTER-OCEAN INSURANCE COMPANY
CINCINNATI 2, OHIO

ALC Moves to Cut Duplicate Meetings

(CONTINUED FROM PAGE 21)
tion in duplicate fields of activity.

At the executive session Wednesday, President Claris Adams of Ohio State Life, reporting as chairman of the joint A.L.C.-L.I.A. committee on federal income taxation of life companies, said the Treasury is not satisfied with the present formula and wants to confer with industry representatives before deciding what stand it will take on life company taxation at the next session of Congress. He said the tax on the companies is some \$70 million less than it would have been if the 1950 law were still in effect and next year the difference would be about \$100 million.

Mr. Adams reminded his audience that under the law as it stands, the McAndless formula goes back into effect automatically if the present basis is not continued or some other substituted. Because of higher interest earnings, the McAndless formula would produce this year more than is being paid under the stop-gap law now in effect, and still more next year when interest earnings will presumably be still higher.

It may seem as if life companies are being taxed pretty heavily, said Mr. Adams but he pointed out that such an argument is weakened by the number of corporations that have set up life companies solely to get the benefit of the favorable tax treatment accorded life insurers. He expressed the hope that something could be done so that this sort of thing would not militate against the position that life

insurance should have because of its recognized social value in helping people to take care of their dependents and old age.

President Powell B. McHaney of General American Life, chairman of the committee on A.L.C. meetings, proposed that the 1955 meeting be held a week later than usual, i.e., the week of Oct. 9, so as not to conflict with the baseball world series. The change was adopted. The 1954 meeting dates have already been set.

The executive session concluded with the election of officers. The panel discussion which preceded it, on the status of field forces for social security purposes, was entirely off the record.

Following the all-day meetings of the Agency Section and Legal Section Tuesday, the first general session opened Wednesday morning. The first address was that of President T. A. Sick of Security Mutual Life of Nebraska, president of the A.L.C. Then followed Robert L. Hogg's report as executive vice-president and the address of the president of the National Assn. of Insurance Commissioners, Commissioner Murphy of South Carolina. They are reported elsewhere in this issue. The closing speaker was John Fisher of the Canadian Broadcasting Co., widely known commentator.

Following a group luncheon the A.L.C. met in executive session. A.L.C. Actuary Alfred N. Guertin gave his report, which is summarized in this issue. Lee N. Parker, administrative vice-president of A.L.C. and president American Service Bureau, reported on the latter organization's activities. Following the committee re-

At the Agency Section meeting of the A.L.C. at Chicago: Harry Manning, left, vice-president and managing director of Great-West Life; Frank F. Weidenborne, agency vice-president of Guardian Life; and Perry T. Carter, vice-president of Travelers, chairman of the Agency Section.



ports the new officers and members of the executive committee were elected.

The afternoon concluded with a panel discussion on the status of field forces for social security purposes. This was led by President E. J. Faulkner of Woodmen Central Life.

Later there was the traditional cocktail party given by the hotel management. In the evening the combination companies section held its dinner meeting. Speaker was Dr. Frank Goodwin, professor of marketing at University of Florida school of business administration.

Thursday morning Chairman W. T. Grant of Business Men's Assurance was host at a breakfast in honor of the new president of the National Assn. of Life Underwriters, Robert C. Gilmore, Jr., Mutual Benefit Life, Bridgeport, Conn.

Speakers at the Thursday general session were William Breiby, vice-president Pacific Mutual, "The Spirit of Life Insurance Company Management"; Ray D. Murphy, president Equitable Society, "Impact of Economic and Social Forces on Life Insurance"; and C. Hamilton Moses, chairman of Arkansas Power & Light Co. of Little Rock, "Life's Price Tag."

That afternoon there were talks by Morris G. Fuller, president of State Farm Life on "Functional Planning in a Life Insurance Company"; Dean Laurence J. Ackerman of University of Connecticut School of Business Administration was unable to appear due to illness. Chairman Leroy A. Lincoln of Metropolitan spoke on "A New Look." The annual dinner-dance took place that evening. There was a fine program of entertainment.

At the Agency Section meeting, Perry T. Carter, vice-president Travelers, spoke briefly on the need for adapting agency operations in the light of possible changes in a company's setup to sell more lines of insurance than just life. He presided as section chairman.

Other speakers were Howard Holderness, president of Jefferson Standard Life, "Importance of Company Officers Understanding of Field Force Problems"; Herbert M. Cady, manager Connecticut General Life at Philadelphia, "The Dwindling Percent", and Ben F. Hadley, vice-president and superintendent of agencies Columbus Mutual, "Activating the Average Agent."

Their talks are reported elsewhere in this issue, as is that of the opening speaker at the afternoon session, Richard E. Pille, Mutual Benefit Life's vice-president in charge of agencies, who talked on "The Brighter Side."

Final speaker was General Benjamin W. Chidlaw, commander of the air de-

fense command at Colorado Springs air force base.

At the Legal Section meeting Millard Bartels, vice-president and general counsel of Travelers, presided as chairman. Speakers were Houghton Bell, vice-president and general counsel of Mutual Life, who urged the establishment of asset reserves to permit companies to carry higher percentages of equities without undue surplus fluctuations; Malvin E. Davis, vice-president and actuary of Metropolitan Life, who talked on Section 213 of the New York insurance law, which governs life companies' expenses; and Vincent V. R. Booth, counsel of New England Mutual Life, who discussed the difficulty of framing applications and policies so that the courts will interpret them as the company issuing them intended.

The luncheon Tuesday annually sponsored by the Legal Section had as speaker Roger D. Branigan, of the law firm of Stuart, Devol, Branigan & Ricks of Lafayette, Ind. He is a director of Lafayette Life. The scheduled speaker, Robert G. Storey, general counsel of United Fidelity Life of Dallas and of Universal Life & Accident of Dallas and immediate past president of the American Bar Assn., could not be present because of illness.

In the afternoon John W. Fischbach, general counsel of Minnesota Mutual, presented a paper covering a state-by-state study of the validity of aviation riders and General Counsel Ralph H. Kastner of the A.L.C. gave his annual review of the 1953 legislation and litigation. This is reported elsewhere in this issue, as are the talks of Messrs. Bell, Davis, Booth, and Fischbach.

The meeting concludes Friday with a morning and luncheon session of the Financial Section.

At the luncheon Wednesday, Claris Adams, president of Ohio State Life and a past president of the A.L.C., introduced the other past presidents who were on hand. He mentioned that of the 47 men who have headed the A.L.C. 24 have died and of the remaining 23 all but four were in attendance. Two of the four—C. A. Craig, for many years head of National Life & Accident, and Francis V. Keesling, Sr., chairman of West Coast Life—were prevented by illness from attending.

Mr. Adams also mentioned that the states of Indiana, Missouri, and North Carolina had each supplied five A.L.C. presidents.

Republic Nat'l Ups Cureton

Allen Cureton has been appointed director of A. & H. sales of Republic National Life. He has specialized in A. & H. sales and supervision for 11 years. He is a past president of Dallas A. & H. Underwriters Assn.

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A well-balanced company is, we believe, a company

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- ... whose geographical market embraces a balance of metropolitan, town and rural areas
- ... whose policy contracts include all fundamental coverages ...

It is a company

- ... whose contributions to its industry have been recognized as outstanding
- ... whose growth has been steady and uniform
- ... whose size is sufficiently large to assure confidence and prestige
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Mr. Adams
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Legislation Reflects New Conservative Viewpoint: Kastner

The spirit of conservation evidenced in the political campaigns of last November has been reflected in life insurance legislation passed this year, Ralph H. Kastner, general counsel of American Life Convention, declared in "A Review of Legislation and Litigation in 1953" before the Legal Section of the ALC convention in Chicago.

His review indicated the trend toward lower taxes for the American public in proposals scheduled to come up for consideration when the House and Senate reconvene. Prominent from the life insurance point of view was the adoption of various technical amendments to the internal revenue code, including extension of the 6½% company income tax formula for the tax year 1953. Another enactment of significance by Congress, he declared, was the establishment of a Commission on Intergovernmental Relations to investigate the inter-relationships of the financing of federal aid.

Of interest to veterans, Mr. Kastner said, was legislation for survivorship options for retired members of the armed services, for automatic renewal of expiring five-year level premium term policies of USGLI and NSLI, and for extension for another year of VA authority to make direct home and farm house loans.

Several proposals were introduced to provide income tax deductions of specified amounts paid as life insurance premiums annually, and others relaxing deductions of amounts paid for hospitalization insurance and medical care, he said. Still other relief bills would provide limited income tax exemptions for amounts received annually for annuities, pensions or retirement benefits, and an estate tax exemption to the amount of \$5,000 for death benefits payable to a widow or other dependents under contract with an employer.

He touched on President Eisenhower's message recommending extension of OASI coverage to some 6½ million workers not now covered, including lawyers and other professionals. Mr. Kastner also described several bills

to repeal the OASI "work clause" so as to permit individuals to receive full OASI benefits regardless of the extent of their wages in covered employment upon reaching the retirement age.

Mr. Kastner pointed out that one of the big legal questions in life insurance during the past year was occasioned by war clauses in life insurance policies and the status of the Korean conflict. The question was, he said, "Was it a war, and if not, what was it?" Several court cases were decided, some for and some against the companies.

"The Search" Begins New Series in its 2nd Year

The Institute of Life Insurance radio program, "The Search That Never Ends," presented in cooperation with the Mutual Broadcasting System as a public service feature, entered its second year on Oct. 6, when a dramatized documentary story on "Diabetes" was presented. Dr. John A. Reed, director of the committee on detection and education, Johns Hopkins University, was guest speaker.

Dr. Louis I. Dublin, health and welfare consultant for the institute, will introduce a prominent guest speaker during each broadcast.

The new series will include such diverse subjects as the newest research developments in cancer and polio; "The Plight of Our Schools"; "The Work of America's Voluntary Health and Welfare Agencies"; "Obesity, America's No. 2 Health Threat"; "America's Pension and Retirement Problem"; and "Industrial America's Contribution to Health and Welfare".

"The Search" is now heard over MBS, excluding WOR-New York, on Tuesdays from 9:30 to 10:00 P.M., EST, rather than Tuesdays from 9:05 to 9:30 P.M., EST, its previous broadcast time. The series is now broadcast in the WOR-New York area Saturdays from 9:00 to 9:30 P.M., EST.

Piper Now Field Assistant

W. L. Piper, formerly representing Southland Life at Victoria, Tex., has been named field assistant with headquarters at San Antonio. He entered life insurance in 1952 with Southland at Victoria.

Southland Life Raises Brooks

R. J. Brooks has been named field assistant for Southland Life with headquarters at Fort Worth. His territory changes will include Texas, Oklahoma, and New Mexico. He joined the company in 1948 at Fort Worth.

New, Retiring Heads of Agency Section



Charles W. Arnold (right), vice-president and superintendent of agencies of Kansas City Life, was elected chairman of the Agency Section of the A.L.C. at the meeting in Chicago, succeeding Perry T. Carter (left), vice-president of Travelers. The new secretary to succeed Mr. Arnold will be elected within the next month or so.

Home office and local personnel of Mutual Life of New York meet at the A.L.C. gathering held at Chicago. Left, Roger Hull, executive vice-president, Edward E. Waller, regional vice-president, Chicago, and Dudley Miller of the Chicago Persons agency.



Again—Our Objective is to Help

- WHO?—Our Brokers—Career Men—General Agents and Regional Supervisors.
- DO WHAT?—Make Money.
- WITH WHAT?—A complete kit of the best and more liberal life, accident, health, wholesale group and creditors group. Ages birth to 76. All with unusual and salable features that build big incomes.
- HOW?—Through complete appreciation of the fieldmen's problems by home office top executives who can and will do something about them.
- SO WHAT?—We are expanding—Growing WITH our men.

PLANNED EXPANSION

Our expansion plans have created exceptional openings for several additional regional supervisors. Our supervisors are compensated with salary, expenses, and incentive bonuses, resulting in better income for the producer who can qualify. Positions open in Missouri, Kansas, Oklahoma, Iowa, Nebraska, Minnesota, North and South Dakota. For information, write—B. Taylor, vice president. There ARE opportunities with this good growing company. Our Regional Supervisors agree there is a real opportunity for EXPANSION with us.



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Life Insurance Company

W. RALPH JONES President

KANSAS CITY 6, MISSOURI

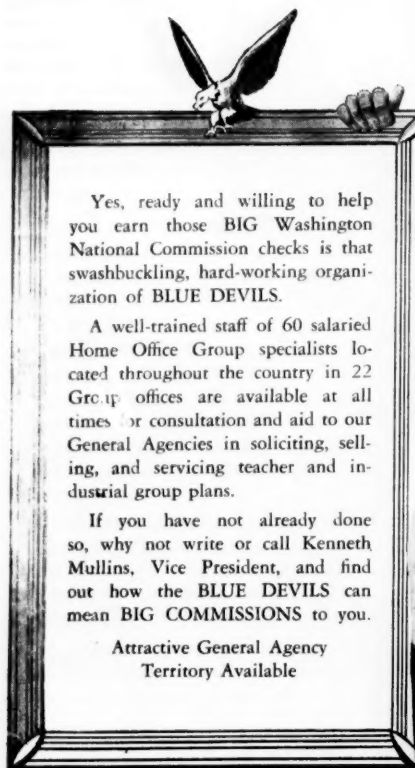
Thirty-Eighth Year of Faithful Service

ACCIDENT • HOSPITALIZATION • HEALTH & LIFE • WHOLESALE GROUP



Shown at the A.L.C. meeting, left, Holgar Johnson, Institute of Life Insurance president; James A. McLain, president of Guardian Life; R. Carlyle Buley, professor of history at Indiana University, and author of the American Life Convention history, and Frank F. Weideborner, agency-president of Guardian Life.

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Yes, ready and willing to help you earn those BIG Washington National Commission checks is that swashbuckling, hard-working organization of BLUE DEVILS.

A well-trained staff of 60 salaried Home Office Group specialists located throughout the country in 22 Group offices are available at all times for consultation and aid to our General Agencies in soliciting, selling, and servicing teacher and industrial group plans.

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Life—Standard forms plus Disability
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• Liberal General Agent's Contract—including:

New man training bonus—Net gain
bonus—Company financing for new
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• Management Training

Recruiting, Selection, Training, Super-
vision of agents.

• Outstanding, Growing Company

Operating since 1868—Noted for excel-
lence in policy owner service—Sub-
stantial reserves and surplus.

Pille Urges Realistic View of Agent Turnover

(CONTINUED ON PAGE 23)

with all forms of commission salesmen. "It appears that other businesses admire and envy the life insurance industry for our knowledge of turnover, survival, etc." Mr. Pille said. "That's a tribute to our individual companies and to our associations. But I repeat, our industry facts aren't too complete or accurate and they don't go back very far historically. Furthermore, our definition of full-time salesmen varies so much between companies that it is difficult to make comparisons or collect statistics. However, we have made some real progress in this area in recent years and I hope it continues."

Turning to the financing of new agents, Mr. Pille explained that the life insurance business expects new men to begin to earn their living from the day they start in the profession, a factor not present in some other professions. Secondly, because of the nature of the life insurance product, the agent is started off under a method of pay usually reserved as an award for business men in the pay-off years at the height of their success—the system of first-year commission and renewal commissions.

To get a man started it has long been the common practice to give the new man some financial help. Mr. Pille said that the level of financing is much higher now than it ever was, comparing the amounts advanced at present with the "draw" of \$100 a month which was common in the 1930's.

Mr. Pille pointed out that the "rate of risk" on money used to finance agents was perhaps no greater now than it was in the 1930's. He based this statement on the fact that the rates of agent production were extremely low in 1933 compared with 1947 and later.

"The rate of risk is the same," Mr. Pille declared, "but the need for capital has tripled. The lack of sufficient capital is a brake on expansion. Men will invest if capital is available and they fully understand the rate of risk is no greater."

"If as an industry we are to cover our market, we must have sufficient salesmen. If the level of financing is higher because of demand in a tight manpower market and the inflation of costs, then we must invest more capital than formerly, either directly through company plans or indirectly through helping our field management obtain the necessary capital for investment."

Agency Woes Responsibility of Top Management

(CONTINUED FROM PAGE 27)

ment. To some this may be the natural feeling because most officers and department heads may feel they have enough problems in their own departments to keep them sufficiently occupied. But we must not allow that kind of complacency to exist among our officers. They must understand the field force problems."

Mr. Holderness divided field force problems into agency department problems and the problems of the individual agents. In the first category is the difficulty of developing good agents. Despite emphasis on selection and training, the turnover is still too high. Once developed, a good agent is hard to keep. It may be impossible to replace an agent with another in the same town. The agent has a high de-

gree of independence and has no trouble getting offers from other companies if he's not happy where he is.

"Sometimes the best agents you have create problems because an agent or manager doing an unusually good job generally expects his company to excel equally as well in all phases of its operations," said Mr. Holderness. "Rarely can a company show the same degree of leadership within the industry as its leading agents achieve in their own communities, but this offers a real challenge to all company officers."

"Then, there is the problem of the high cost to the company of an agent's dissatisfaction. The very nature of the agent's work is such that even the best agent cannot do a satisfactory job if he is upset or unhappy with the treatment given him by his company. Mental attitude is always a determining factor in the agent's success. Finally, there is the problem of how liberal a company can be in providing benefits for agents' commissions, sales material, training, service, and supplies and still keep costs within reason."

Discussing the problems of the individual agents, Mr. Holderness said the first is the size of the agent's income. Some make a lot—a large number make more than many company officers—but the average field man's income is "far too low." This is a problem that must be constantly understood and remembered by all company officers, he said.

Other problems are getting policies issued promptly and on a favorable basis, meeting competition from more liberal and/or lower-cost companies, service from the home office for the agent and his policyholders. On all of these there may be differences of opinion with those at the home office.

It is the duty of all company officers to make it their job to understand and help solve the problems of the individual agent—solve them on the best possible basis consistent with sound business practice, said Mr. Holderness.

"By realizing what the problems of the individual agent are and helping to solve them, we automatically solve many of the agency department problems which, after all, are company problems too," he said.

"While we are working hard to keep all problems solved, in my opinion, company officers can yet do more to further the success of the field men. Perhaps the area which presents the greatest opportunity for improvement is in the broad category of better human relations."

Mr. Holderness expressed the belief that there is no better way of doing this than seeing the field man in his own town and discussing his problems with him there. There's no other way to really understand the agent's viewpoint, he said. Not only do the agency department executives of Jefferson Standard travel extensively but so do President Holderness and the medical director, investment officers, legal counsel, and secretary.

"When we have a group of agents in the home office for a sales training school, we see to it that the company officers mix with them and get well acquainted with them," said Mr. Holderness. "This is done through a formal luncheon but more than that, the officers see the agents informally, often visit with them in informal discussion groups in the evening. At least one function is arranged during each school when the officers' wives can meet the agents socially. We follow the same pattern at managers' conferences or at

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any time we have any field group at the home office."

It is also the company's standard practice to invite company officers and their wives, as well as the agents and their wives, to all company conventions. Jefferson Standard does not operate in New York "so section 213 is no problem in this connection," Mr. Holderness observed.

Company officers should not only take an interest in agency problems but should sell themselves to the agent, convincing the field man that they really have this interest. Otherwise, Mr. Holderness warned, the agents are likely to have a "big brass" concept of company officers, a feeling that is somewhat difficult to break down.

Mr. Holderness emphasized that he was not saying the whole company must be one big agency department, although, he added: "I do believe everyone in the home office should be sales-minded—at least sympathetic to the problems in the field."

Good Agency Operation Depends on Agent: Cady

(CONTINUED FROM PAGE 31)

done by either your own full-time agents, the full-time agents of other companies, who gave you the business, or life or general insurance brokers, under the supervision and motivation of men who have had the experience of being full-time agents."

The welfare and problems of the agent must be of utmost concern to the home office, Mr. Cady said. Progress in the entire industry depends on this. The agent's success and reaction should be given major consideration in every company decision, since he is undeniably affected by any home office move.

He added that the development of any kind of cleavage, imaginary or real, a feeling that the home office is one industry, the field another, is a guarantee of lower production and a dwindling percent of spendable dollars for life insurance.

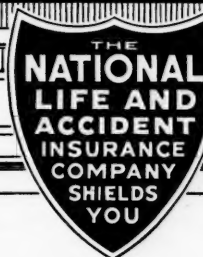
In line with this, Mr. Cady said, the agency department must be staffed with top men, who have backgrounds of successful selling and who enjoy the greatest admiration and respect of agents and the managers. Field workers should come from the company's own ranks of personal producers and should be provided with improved sales tools.

Training Agent Means Retraining H. O. Man

(CONTINUED FROM PAGE 31)

better meetings, better mass motivation, and better individual motivation? Although there is room for improvement in all of these, Mr. Hadley said, there is not enough room to make the difference between success or failure of the average agent. The same holds true for educational methods and facilities; too much education at too fast a rate will choke the average agent, whereas moderating its quantity and delivery will make it completely ineffective, because by the time it gets to its destination in the correct amount, the average agent will have left the business.

So it comes down to this: The executive must revamp his thinking if he wants to increase the production of the average agent and keep him in the business, and the way to do that, Mr. Hadley said, is through a shift in training tactics: The executive must



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show the agent how to boost his output rather than just tell him how or suggest second-hand sources that will illustrate his points. As an example, Mr. Hadley showed his audience a brace and bit, a book on physics, and a wooden board in which several holes had been drilled. If an employer wants similar holes drilled in a similar board, he said, he has two choices. He can give the average employee the brace and bit, the board and the book on physics, and tell him, "I want holes drilled in this board and this book will explain the scientific principle behind the use of the brace and bit. Now go to it." Or, he can drill a few holes in the board while the employee looks on, showing him just how it is done.

Life insurance executives must adopt the latter method, Mr. Hadley declared, and in doing so, the executive must create the proper tools needed by the average agent. He showed his audience a few of the tools used by his own company, these being a four-page sales folder covering the life situation and the problem, the solution, and the close; the "brain book", in which, one page, for example, shows the agent all he has to know about demonstration; the "training guide," in which single pages are devoted to such subjects as building the average agent's attitudes, profitable prospecting, work habits, successful selling, etc.

In general, then, this is what a company must do to activate its average agents, Mr. Hadley said: "State definitely and positively just what jobs he is expected to do; set forth clearly and concisely just how he is to do these jobs, and provide him with simple, effective, easy-to-use tools for doing those jobs."

Perhaps, Mr. Hadley said, these

methods are simple and rudimentary, but the average agent "never does master these simple, rudimentary things which are the very foundations of all success in this business and that's why we can't seem to activate them—that's why they fail and pass out of the business."

What about executives? Mr. Hadley asked. Are they way above these "simple, rudimentary things?" "So long as 50% of our productive manpower is dribbling away in five years' time, and so long as 80% of our new recruits fail and leave the business within three or four years," Mr. Hadley thought not.

He deplored the thin justification for failure of the average agent on the part of executives who say, "That's the responsibility of the agent, or the agency builder, or the general agent or the manager." That is not so, Mr. Hadley declared. "That is your responsibility and mine right back at our respective home offices, and if you and I find it so difficult to settle definitely on the standardized jobs, methods and tools, how can we expect our agency builders to do it—or, worse still, how can we expect our average new agents to do it? It is our responsibility to devise those tools and make them available to every agent we have now or recruit in the future."

Mr. Hadley cited the excuse often given that it is impossible to devise a method everyone can use because every agent is different and every agent must use methods which fit him individually, by saying, "We can and must standardize for our average agents the jobs, methods and tools for selling life insurance if we really want to make progress in activating our average agents."

Mr. Hadley offered a 5-point formula

for home office use in training the average agent. The points are: There must be a tool for every job an average agent needs to do and he must be taught how to use it; these tools must work and the home office must make sure that they do work; they must be easy for the average agent to use; the home office must test, revise and simplify its tools, for the easier it is to build a tool, the longer it will take to train the agent; if too many average agents either can't or won't, or for any other reason don't use a given tool, there is something wrong with the tool, not something wrong with the average agent.

Fischbach Studies Factors Affecting Aviation Riders

(CONTINUED FROM PAGE 26)

ted exceptions, invites application of the *inclusio unius* rule, meaning that a court might very well hold that if the legislature had intended to permit companies to exclude the aviation risk from the incontestability statute it could have said so in listing the other exceptions.

6. A mode of settlement law contained in the "prohibited provisions" statute, specifying no exception as to aviation exclusion. This law, by its own language, may give some indication of its susceptibility to unfavorable interpretation. For example, it may make no reference to the contestable period (Minnesota); or it may contain a provision that the law will not become applicable unless the policy matures after expiration of the contestable period (Indiana); or it may so refer to the contestable period and, in addition, state that it does not apply to certain provisions for reduced payments such as graded death benefits (Wyoming) or amount paid under non-forfeiture provisions (Idaho), thus carrying the inference that it does apply to other policy provisions for reduction or limitation of the amount payable. It may also be made inapplicable to the coverage-exceptions specified in the incontestability statute (Illinois; Kansas) in which case there is little to be feared from it.

"The Minnesota form would seem to be the least dangerous and the Wyoming pattern offers the greatest possibility of unfavorable construction," said Mr. Fischbach. "Lacking a favorable determination by the courts (*Julius*—Illinois), any of them, except the Illinois type, may be regarded as potentially troublesome. As a matter of concern, some state legislatures (Kansas, Illinois, Michigan, Tennessee, Texas) and the federal Congress (District of Columbia) have amended the mode of settlement statute either to accomplish a direct authorization for risk-exclusion or to provide protection for the companies against possible misinterpretation of the law.

"The fact that this statute has been used as a vehicle to accomplish that result—the fact that it was considered necessary or advisable to take risk-exclusion clauses out of the scope of the prohibited provisions, or at least to bolster such legislation, would seem to indicate that some legislators as well as some jurists (*Smrha*—Nebraska; *Smalley*, etc.—Texas) consider that the mode of settlement provision was put into the life insurance laws for a purpose other than that which we of the industry believe was in the minds of the original drafters of the statute."

Appellate court decisions involving

the incontestability provision and indicating how the courts of the state stand on the Conway doctrine. Such cases may involve aviation (*Conway*—New York), war (*Railey*—Georgia), suicide (*Robbs*—Arkansas), misstatement of age (*Langan*—Missouri), termination of coverage or reduction of amount (*Shalloway*—Georgia), double indemnity (*Jolley*—North Carolina), death from execution or resisting legal authority (*Kehoe*—Mississippi), disability benefits (*Reedy*—Mississippi), and perhaps other defenses which plaintiff claimed the company was precluded from asserting because of conflict with the incontestable clause.

"Decisions of federal courts or of lower state courts are also of interest, especially if the highest state court has not spoken," said Mr. Fischbach. In this connection he referred his audience to a paper, *A New Look at the Incontestable Clause* by W. Lee Shield, counsel of A.L.C., in the proceedings of the Assn. of Life Insurance Counsel, May, 1952.

8. Appellate court decisions which consider application of the mode of settlement statute to risk-exclusion. (*Smalley*—Texas; *Julius*—Illinois).

With a few exceptions, the study of each state discloses one or more of the foregoing factors which may affect the conclusion reached. Mr. Fischbach said for only two states, Montana and Nevada, was it found necessary to express an opinion with little or nothing in the way of statutes or decisions upon which to base it.

"There, with no laws to specify what is permitted in a policy and what is prohibited, and with no supreme court decisions which give even a hint of how the courts would interpret the incontestable clause, the problem of guarding against invalidity of an aviation rider resolves itself into one of drafting the policy in such manner that the insurer would be protected whether the court accepts the Conway doctrine or adopts the mandate theory of incontestability, which is to say that the aviation rider, although phrased in terms of exclusion from coverage or limitation of liability, should be excepted from the scope of the incontestable clause of the policy, thus removing all support for the anti-Conway argument," he said.

"This is not to say that those are the only states where such an exception is advisable. In view of the economies which go with the use of uniform policy forms, I would recommend such an exception in every state where the department permits it. Even though the exception will accomplish nothing in states which have either a separate 'permitted exclusions' statute or a Holland committee type of statute defining incontestability or in states where the supreme court has definitely adopted the Conway doctrine, it will do no harm in those states and may do some good in the others."

As far as incontestability is concerned, Mr. Fischbach said that if the incontestable clause of the policy is amended to except the aviation rider from its scope, the rider should be valid (1) in states which have no statutory requirement for an incontestable clause or where the statute plainly refers to validity and not to coverage; (2) in states which have incontestability statutes authorizing the exception; (3) regardless of what the incontestability statute says, if the courts of the state have adopted the Conway principle.

If the incontestable clause of the

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Life Companies' Tax Bill \$369 Million for '53, Guertin Says

Life insurance companies of the United States will pay taxes aggregating more than \$369 million to the states and federal government as a result of 1953 operations, it was estimated by Alfred N. Guertin, actuary of A.L.C., in his report.

He said that "state taxes on 1953 premiums will amount to \$163 million, other state imposts will exceed \$21 million, social security taxes, federal and state, will amount to \$27 million. These, along with \$158 million for federal income taxes, will produce a grand total of \$369 million of state and federal taxes not including taxes paid on real estate. These taxes will take \$3.44 out of every \$100 deposited with us by our policyholders, for the protection of their dependents or for their old age. It is a heavy load to be placed on the amounts set aside as savings in 1953 by the frugal and thrifty of the nation."

A.L.C. member companies, numbering 233, held 97.6% of all the life insurance in force in the United States at the end of 1952, Mr. Guertin reported. These companies held 96.87% of the assets of all companies and collected 94.77% of all the premiums collected in this country. "In speaking for our companies," Mr. Guertin said, "we speak for virtually the entire life insurance business."

One of the important problems at the state regulatory level, he said, is the threat of over-regulation, particularly with respect to accounting methods and reports. The blanks committee of National Assn. of Insurance Commissioners, he commented, is familiar with the problems in this area, "and most of us are ready to look to them to handle the interstate effects judiciously, with reasonable restraint and with due consideration of the interests of all companies."

policy contains no such exception, then, said Mr. Fischbach, after the contestable period has expired, there is a risk of invalidity (1) in any state which has not adopted the Conway theory; (2) in any state which has neither a separate "permitted exclusions" statute as to aviation nor a statute of the Holland committee type.

Mr. Fischbach pointed out that regardless of whether or not such an exception is contained in the policy's incontestable clause, there is a risk of invalidity, after the policy has become incontestable, in any state which has no "permitted exclusions" statute, no Holland committee type of statute, and which does have a mandate type of incontestability statute containing no coverage-exception as to aviation. Lacking a favorable supreme court decision in states of the last category, a very serious doubt as to validity would prevail.

During recent years, he said, some companies have adopted the practice of not amending the incontestable clause to provide the exception as to the excluded hazard, but, instead, reciting in the exclusion-rider that "the defense or denial of liability by the company with respect to any claim under this policy on the ground that death occurred as a result of any of the causes and under the circumstances stated in this rider shall not be construed to be a contest of this policy."

That provision, Mr. Fischbach pointed

out, is intended to define and limit the scope of the incontestable clause and thus accomplish the same desired purpose of avoiding application of the "mandate" theory of incontestability to the denial of liability for a risk not covered by the policy.

"You will observe," he said, "that this provision purports to accomplish by contract the same result as that which the Holland committee statute defining incontestability does by law. I have little authority to give you, but, in my opinion, this provision accomplishes the same purpose as a coverage-exception in the incontestable clause and it does permit some economies in meeting the variations of departmental requirements and avoiding a multiplicity of policy forms."

"But one cannot lift himself by his own boot-straps. Neither this contractual definition of incontestability nor the exception to incontestability will afford any protection in a state which has a mandate type of incontestability statute not excepting aviation if the supreme court rejects the Conway theory (*Shank vs. Fidelity Mutual*) (Minn. 1945) 21 N.W. (2d) 235. In other words, you cannot narrow either the scope or the definition of statutory incontestability by contract."

In making his study, Mr. Fischbach said he encountered a few odd situations arising out of the unusual statutes or decisions affecting validity of aviation riders. Most of them were unfavorable. Arkansas has a retaliatory law providing that no foreign company may use in Arkansas any policy form which an Arkansas company would be prohibited from using in the foreign company's state of domicile. Oklahoma has a similar retaliatory law. These laws are so worded that in Mr. Fischbach's opinion the validity of an aviation rider would be affected if a foreign company whose home state laws permit only a limited exclusion were to issue an aviation rider in either of those states providing for a broader and more complete exclusion.

There was one rather startling decision (*Barnett—Oklahoma*) which brings into play the standard provisions statute which specifies that the policy together with the application therefor constitute the entire contract between the parties. The court said that that statute means that the use of a rider to amend or modify a policy is prohibited and on that authority held a war rider to be void and of no effect. A Nebraska statute says that limitations regarding aeronautics may not be included in any policy where an extra premium is charged to cover the aeronautic risk. A Minnesota decision (*Shank*) holds that if the aviation rider attempts to exclude more than the law authorizes, the rider is thus "tainted with illegality" and is void in its entirety.

"We look upon the Conway theory as a comparatively modern doctrine," said Mr. Fischbach. "But I found one case (*Simpson—North Carolina*) in which the doctrine was advanced in 1894. Unfortunately, it was in a dissenting opinion. The Iowa statute on incontestability applies only to policies written non-medically and it specifies no coverage-exceptions. The Iowa supreme court has not committed itself very positively on the Conway doctrine. Hence, in Iowa, the absurd result could be reached that aviation riders would be invalid if on non-medical policies, although valid on those issued on a medical basis."

Mr. Fischbach warned that mere ap-

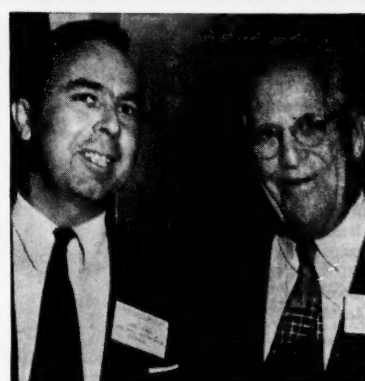
proval of a risk-exclusion rider by the insurance commissioner or even by the attorney-general "will not perform the magic of placing the blessing of validity upon an otherwise invalid provision." He said there is a tendency, particularly among home office personnel who are not lawyers, to place unwarranted reliance upon departmental approval with respect to legal validity of policy provisions. The same, he said, might be said regarding insurance department rulings and attorney generals' opinions.



Pictured at the A.L.C. meeting: Charles W. Arnold, vice-president and superintendent of agencies of Kansas City Life and Mrs. Arnold.

National, Vt., Cuts Waiver Rate

National Life of Vermont has made a large reduction in its rates for waiver of premium disability benefit. In addition, rates for women have been reduced from twice the male rate to one and one-half times the published rates for men. The company has also lowered rates for the payor clause on juvenile policies. No change is being made in rates for disability income.



Attending the A.L.C. meeting at Chicago, left, John P. Hanna, managing director of Health & Accident Underwriters Conference; Dr. Edward G. Simmons, executive vice-president of Pan-American Life.



All smiles at the A.L.C. meeting, left, J. A. Hibbard, president of Old American Life, and Leslie J. Cooper, associate actuary and tax counsellor of Pacific Mutual Life.

Greetings TO THE AMERICAN LIFE CONVENTION

THE OTIS HANN COMPANY, INC.

"LIFE INSURANCE SERVICE"

333 North Michigan Avenue

CHICAGO

J. ROBERTS HANN
President

F. H. LANDECK
Vice President & Field Manager

On their way into the Agency Section session: President J. K. Macdonald of Confederation Life; and President E. M. McConney and Executive Vice-president Dennis M. Wartens of Bankers Life of Iowa.



Snapped at the A.L.C. meeting in Chicago: J. Wythe Walker (left), executive vice-president of Union Life of Little Rock; his father, Elmo Walker, Union Life's president; and E. J. Schmuck, general counsel of Acacia Mutual Life.

Chatting in the "Pasagio" during the preliminaries of the A. L. C. meeting in Chicago: Paul McNamara, president of Life of Chicago; Romaine S. Scott, vice-president and treasurer of Protective Life of Birmingham, and Henry M. Cathles, vice-president of North American Reassurance.



Nebraska's new insurance director, Tom Pansing (second from right) with a trio of other westerners: John Phillips (left), Business Men's Assurance; F. E. Huston, vice-president and actuary of Guarantee Mutual of Omaha; and W. D. Grant, vice-president of B.M.A.



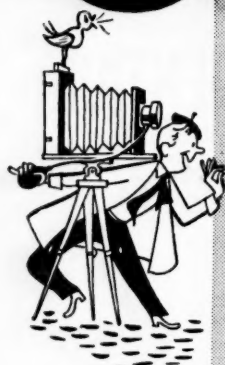
The new president of A. L. C. flanked by two western executives:

Ralph R. Lounsbury, president of Bankers National Life of New Jersey, with Charles H. Heyl, (left), agency vice-president of Bankers Life of Nebraska; and Robert B. Richardson, president of Western Life of Montana, a past president of A.L.C.

Ready for the next session at the A.L.C. meeting, left, Donald I. Parker, vice-president and actuary, Security Mutual Life; H. Harold Leavey, vice-president and general counsel of California-Western States Life, and C. C. Frazer, general counsel of Health & Accident Underwriters Conference.



GET IN THE PICTURE



YOU probably have done it often. Call it day-dreaming if you like, but you've pictured yourself with a successful agency all your own—making decisions, training new young men . . . getting "on top." There's nothing wrong with dreams. But how about making them come true? You can do it, if you really want to succeed. We at Indianapolis Life are constantly looking for such men who are ambitious to some day have their own profitable agencies. You'll like our agency point-of-view, our home office co-operation and the fact that we're big enough for "big business," yet personal enough for small.

WALTER H. HUEHL, President • ARNOLD BERG, C.L.U., Agency Vice-President

INDIANAPOLIS LIFE

INSURANCE COMPANY

Mutual—Established 1905

INDIANAPOLIS 7, INDIANA

AGENCY OPPORTUNITIES IN Illinois, Indiana, Iowa, Ohio, Michigan, Minnesota, Texas

Converted Group Policy Is New Contract, Court Holds

RALEIGH—Once a group policy is converted into an ordinary life policy by one of the participants it becomes a separate contract dating from the time of the conversion, North Carolina supreme court has held.

Mrs. Jane Lineberry sued Security Life & Trust in Edgecombe superior court for \$3,000 on a policy carried by her husband, Dr. John A. Lineberry, Sr. Dr. Lineberry had group coverage with other employees of Washington Mills Co. in a policy effective Aug. 1, 1944. He terminated his employment July 15, 1948, and converted his insurance to ordinary life on July 28, 1948.

The policy contained the routine suicide clause. Dr. Lineberry killed himself on June 30, 1950, and the widow sought to collect on contention the policy should date from Aug. 1, 1944.

The superior court held with the

widow, but the supreme court reversed the decision. The ordinary policy, the court held, was "a separate and independent contract," with the premium based on the insured's age as of the 1948 date.

Grabow in Private Practice

George B. Grabow, general counsel of Beneficial Standard Life, and formerly associate counsel in the compliance and legal division of California department, has resigned to enter private practice at Los Angeles. He will be associated with Donald R. Luckman also formerly with the California department.

Seeks to Increase Capital

California Life of Oakland has applied to the insurance department for a permit to sell 39,213.4 shares of class "A" stock of \$5 par value at a price of \$10 per share to Founders Syndicate of Nevada.

Lincoln Gov.

Reverger and Washington executive strong chairman address the annual Life Co.

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Lincoln Lauds Cut in Government Power

Reversal of the trends toward "bigger and more powerful government in Washington" and toward "the concentration of emergency powers in the executive branch" was viewed with strong approval by Leroy A. Lincoln, chairman of Metropolitan Life, in an address before the general session of the annual meeting of the American Life Convention.

"At the annual meeting of this same body held 10 years ago, we were all conscious of the extraordinary powers invested by Congress in the chief executive," the speaker recalled. "Most of these powers were granted as emergency war measures, and it must have been intended by the Congress that they would all expire with the ending of the emergency. However, in 1943 many people saw reason to fear that that these powers would never be allowed to expire."

Mr. Lincoln reminded his audience that the great bulk of the emergency and war powers have actually expired, and that only a few have been continued on executive request. He pointed out that wage and salary controls and the last of the price controls were removed this year, and that rent controls have been removed except in a few critical defense housing areas.

He also found a source of encouragement in the progress of efforts to curtail government spending and balance the budget, the vigorous attacks on subversion in government, and the suspicions Washington seemed to entertain toward business enterprises.

Mr. Lincoln professes to see "a new look" in Washington, and one "not due entirely to new faces in governmental circles."

"We may not all agree, politically or otherwise, with some of the thinking and with some of the actions taken by our government 10 years ago or now," he said, "but more and more of our people seemed to disavow government by directive, confiscation, interference with business, and other practices which some believed were leading down the long, one-way road to Socialism or Communism."

Would Use Agents' Actual Experience in Advertising

(CONTINUED FROM PAGE 1)

as we see ourselves.

"So far as our combined objectives are concerned, I heartily agree," said Mr. North.

Earlier in his talk Mr. North defined these combined objectives as (1) to explore continuously our economic and social life with a view to determining how private life insurance can best advance individual, family, and business security; (2) to develop personnel who not only understand the values in life insurance but apply this understanding to their work; (3) to interpret these values to all segments of America.

Discussing the first objective, Mr. North said that due to estate planning, business insurance, and the like, the basic need for life insurance has increased tremendously because increased longevity for both men and women means greater need for retirement income; because in two-thirds of the marriages broken by death the wife is the surviving spouse as contrasted with less than a half 50 years ago, a situation that accentuates the need for income for widows; because of the



Sam E. Miles, vice-president of Provident L. & A., getting a Texas greeting from Travis T. Wallace, president of Great American Reserve, at the A.L.C. annual meeting.



Two alumni of Lincoln National Life chatting prior to the Agency Section meeting during the A.L.C. meeting at Chicago: Leland J. Kalmbach, president of Massachusetts Mutual Life, and W. T. Plogstherth, consultant, Fort Wayne, Ind.



Dean of the A.L.C. past presidents: P. D. Gold (left) of Silver Spring, Md., with his friend of more than 40 years, Harry Wilson, vice-president of American United. Mr. Gold was elected A.L.C. president in 1911 and presided at the first annual meeting to be held in Chicago, in 1912. He is a co-founder of Jefferson Standard Life and at the age of 77 he is active as one of its agents at Washington.

greater number of children and the trend toward giving more and more of them advanced education—the cost of which has increased considerably; because of inflation, which makes it necessary for a man to have \$350 to do what \$184 would have done in 1940 and what \$100 would have done at the turn of the century.

As for the second objective—helping people to buy as a result of understanding why people buy—Mr. North illustrated this by telling about a Metropolitan agent, now a consistent million-dollar producer, who when he first reached that volume took a critical view of his accomplishments and decided he had not been a career agent at all but just an energetic salesman. He decided to become a student of the business. He also planned his work on a long-range basis, diversifying his prospects among as many different occupations as possible, so that when a given line of business is particularly prosperous his contacts in it can help him meet prospects at a time when they are best able to buy. He also

diversifies according to age, so as to have policyholders "on the way up" to replace those past the buying age. He diversifies by type of policy. If he sells term, he persuades the buyer to convert a certain portion each year.

To attain the third objective—interpreting life insurance values to all segments of America—"we have an obligation to interpret life insurance values to the public in a successful and practical fashion," said Mr. North. "We have an obligation to interpret the experiences of leading agents, for they have developed an approach to the sale of insurance which brings a positive response from the public. It seems logical, too, that the principles employed in their approach to individuals might be equally successful when applied to our sales promotion and advertising activities."

N. Y. Bans Paying Wives' Expenses at Conventions

(CONTINUED FROM PAGE 1)

be incurred by him."

Mr. Bohlinger suggested companies establish in advance qualifying requirements which agents must meet to attend convention or meeting. He also recommended that the meetings be held at places where it is apparent that the object of the meeting is the business of the company and not to subordinate such business to pleasure outings.

On the question of expenses of officers' wives, Mr. Bohlinger held that the payment of such expenses "relieves the officer of an expense which would otherwise be incurred by him, thereby enabling the officer to enjoy a pecuniary benefit". Besides violating the law, he said this is "inconsistent with the principle of economy in agency

operation embodied in sections 212 and 213". He directed companies to "take all steps necessary to insure compliance with the spirit as well as the letter of the law".

175 on President's Trip

A total of 175 home office men and agents of Rio Grande National Life, Dallas, and their wives made a five-day president's vacation trip to Monterrey, Mexico. President R. W. Baxter presented trophies to B. M. Dunlap, Dallas District 3, leading manager of the year; Robert R. Anderson, Dallas District's leading staff superintendent, and W. L. Peoples, Dallas office 2, leading agent of the year.

John P. Jones Acting Actuary

WASHINGTON—The job of government actuary under the Treasury Department has not been filled on a permanent basis. John Paul Jones has been named acting actuary, succeeding in that capacity C. W. Kroll, who resigned some time ago. There is no indication when permanent appointment will be made.

Mr. Jones attended Wake Forest College, served in the navy and taught at University of Georgia. He has been in government service since 1948.

Relaxes Military Writing

Great Southern Life has liberalized its underwriting rules on military risks.

Civilian males between ages 15 and 26 will be considered for amounts up to and including \$10,000 if single and \$25,000 if married, without a war clause. Insurance in excess of these amounts will be considered with a war risk and aviation exclusion provision. Civilian males 27 and above will be considered for amounts up to \$250,000 without a war clause.

THANK YOU, A. L. C.!

We deeply appreciate the very high honor accorded our Company and our "T.A." through his presidency of the American Life Convention this past year. ... But even more, we appreciate having him back "at the wheel" for Security Mutual Life in Lincoln.

The Officers, Directors,
Staff, and Field Personnel.

THE SECURITY MUTUAL LIFE INSURANCE COMPANY

Home Office — Lincoln 1, Nebraska

Late News Bulletins . . .

State Mutual Names Carriere La. General Agent

State Mutual Life has appointed Charles P. Carriere, Jr., as general agent for Louisiana with offices at 625 Baronne Street, New Orleans. He was educated at Loyola University and has been active in organization work.

Dittmann Joins New Northeastern Life

Albert T. Dittmann has been appointed brokerage production manager of the newly formed Northeastern Life of New York. He has had wide experience in the life insurance brokerage field. In 1944 he joined the Harry Gardiner agency of John Hancock in New York, now the Allen-Pratt agency, and since 1946 served as its agency and brokerage supervisor.

Deans Given Higher Prudential Group Post

James R. Deans has been promoted from assistant to associate general sales manager of Prudential's group department. Mr. Deans joined the company as a pension specialist at New York following service as a commander with the British navy in the last war. He later was made associate group annuities sales manager at Philadelphia and in 1952 assistant general sales manager at the home office.

A. & H. Bureau Speakers Cover Wide Range

(CONTINUED FROM PAGE 1)

expensive and exhaustive studies of, and often critical of, writers of A. & H. insurance." He mentioned as examples: The President's Commission on Health Needs of the Nation, politicians seeking office, Health Information Foundation, commission on financing hospital care, veterans administration, subcommittee on health of the U. S. senate committee on labor and welfare, and the house investigation of health and the cost of insurance protection.

Because these studies are often made by those unfriendly to or not familiar with the social value of A. & H., and because their request for information cannot be ignored, the demands on the bureau in this line have increased tremendously, Mr. Follmann said.

Mr. Hauschild, in his report as outgoing chairman, mentioned some of the bureau activities and emphasized the growth in the number of committees. A new one is to develop a public relations program, and Mr. Hauschild commented, "If ever there was a time in the history of the A. & H. business when good public relations are needed, it is now." A. & H. is beset with enemies sniping at the record, claiming that the business is not doing a good job, he said. Most of this criticism cannot be justified, but just as in crime, the news value builds up and publicizes an offense. Mr. Hauschild urged the bureau and its members to sponsor and conduct a campaign of education, saying the lack of a good public relations program has probably hurt the business more than anything else in recent years. An uninformed public is apt to accept the only thing given it to digest, he said. Legislators and the public need to see the other side of the picture.

Stefan Hansen of Great-West Life gave a notable review of financing medical care.

Full Card for Miss Divver

"Advertising Is Everybody's Business" was the subject of an address by Miss Margaret Divver, advertising manager of John Hancock Mutual Life, at the opening of the golden jubilee year of Advertising Club of Boston.

Miss Divver, who was recently chosen "Woman of the Year" by Advertising Federation of America, will represent the advertising club in a series of talks across the country this year, in a program designed to promote New England. She is one of a group

of New Englanders engaged in the project, which will be climaxed when the advertising federation holds its annual meeting in Boston in June 1954.

Miss Divver is the only woman advertising manager in the life insurance field. Under her direction, the John Hancock advertising program has been cited for awards from Freedoms Foundation, *Saturday Review of Literature*, *Reader's Digest* and Life Insurance Advertisers Assn.

Outlives Mortality Table to Collect on Policy

Mutual Trust Life of Chicago now has its first policyholder who at age 96 has survived the American Experience Table and is entitled to receive the full face amount of his policy.

Carl J. Larson of Chicago made application to the Scandinavian Aid Assn. in 1889 and in 1914 exchanged his certificate for a \$1,000 ordinary life policy in Scandia Life, which the original organization became in 1904, changing its name to Mutual Trust Life in 1914.

Although the original policy contained no provision for the company holding the face amount of the policy on an interest basis the company agreed to permit Mr. Larson to have his proceeds on deposit at 3½%. A special certificate was issued and presented to him by A. B. Slattengren, senior member of the board. General Agent Harold Hayward and Gaylord Hett, agent, who serviced the policy when it matured also participated in the presentation ceremonies.

U. S. Life Sales Up 82%

United States Life through Aug. 31 registered an 82% gain in new paid-for group and ordinary production over the same period of 1952.

S. C. Mitchell Retires

Schuyler C. Mitchell, manager of the claims department of Preferred of Grand Rapids for 25 years, has retired. Before going with Preferred he had been handling claims for Standard Oil for eight years.

Opens Two New Va. Offices

Prudence Life of Chicago has opened new offices at Norfolk, Va., with Harold M. Green as manager and at Roanoke, Va., where Arthur C. Grantham is manager.

Austin Managers Hear Scovell

Agency problems and recruiting were discussed by Field Scovell, assistant vice-president and director of

agency expansion of Southland Life, before Austin Life Managers Club.

Mr. Scovell declared that the market for an agency and the size of the agency depends on the buying power of the particular area where the agency is to be located. Of 68 men he recruited since March 1, 13 have been lost and Mr. Scovell said that this may have been due to faulty selection or training.

West Coast Life Has Meeting for Leaders

(CONTINUED FROM PAGE 2)

tion to our Pacific Coast. Never before have so many people moved from one part of the United States to another in such a short time. During this period most of the states—in fact all but four—showed increases in population."

Mr. Sullivan complimented West Coast Life, saying that the company's investment portfolio "was one of the finest ever reported to my office for examination."

Leading producers participated in a series of workshops and panels on "How I Do It—and Why", in which they demonstrated their most effective prospecting, selling and planning techniques.

Other company officers who addressed the convention included: William L. Hardy, agency vice-president, "The Power of Organized Activity"; Francis V. Keesling, Jr., 1st vice-president; Carlos C. Warner, vice-president and secretary; Robert E. Cecil, agency superintendent, "The Power of Organized Selling"; Van Vanette, group sales manager, "Group Insurance as a Prospecting Aid"; Walter E. Hebel, agency secretary; Leo Nordquist, associate actuary, and Owen F. McCusker, sales promotion director, "The Power of Organized Prospecting."

John Reginato, manager at Oakland presented Mr. Stewart with a baseball inscribed by the members of the Oakland agency, leading agency during the contest period. Winners of special awards for outstanding achievement were: Victor Andreatta, manager at Dunsuir, Cal., manager-of-the-year award, and 22 producers who received national quality awards.

Book on Woman's Angle

"Reluctance to discuss financial affairs outside the family circle is as outdated as last year's hemline", a National Life of Vermont booklet geared strictly to the women's viewpoint, declares.

The booklet, "Look What's Happened to Women," written by Betty Parks, who is assistant copy chief for Harold Cabot & Co., advertising counsel for the company, shows how a woman's desire to help her husband financially, to offer security to a dependent parent, brother or sister, to set herself up in business, or to take a trip to Europe, all can best be realized through the medium of insurance.

Women are assured that talking over their financial case histories with an agent is as safe as talking over their medical histories with their physicians.

Lennon Leaves Mich. Department

David Lennon has left the examining force of the Michigan department after 11 years service. He is vacationing for a time before announcing his new connection.

• Universal L. & A. has been licensed in Colorado and has opened an office in Denver with W. A. Myatt in charge.

ASSOCIATIONS

Indiana Mid-Year Meet Nov. 14 at Indianapolis

The mid-year meeting of Indiana Assn. of Life Underwriters will be held at Indianapolis Nov. 14.

Luncheon speaker at the all-day session will be Robert C. Gilmore, president of N.A.L.U. Mr. Gilmore will also speak before the Indianapolis Association Nov. 13.

Toledo—Speakers scheduled to address the association this month and in succeeding months include: Donald F. Lau, Massachusetts Mutual, Detroit, Oct. 16; Gilbert G. Grootveld, Metropolitan Life, Elkhart, Ind., Nov. 20; W. Henry Blohm, general agent for Provident Mutual at Cincinnati, Dec. 18; William W. Wray, John Hancock, Cincinnati, Jan. 15; William J. Jenner, general agent at Cleveland for Penn Mutual, Feb. 19; Dr. Davis W. Gregg, dean of the American College, March 19; Walter G. Voelckers, president of Lutheran Mutual, April 23; Frank O. Mayer, regional supervisor for John Hancock at Detroit, May 21.

Buffalo—L.U.T.C. certificates were presented to 14 underwriters at a sales and service clinic jointly sponsored by the local association and the New York City association. Conducting the clinic were Fulton W. Jenkins, Metropolitan Life; Carl A. Ernst, North American L. & C.; Harold W. Baird, Northwestern Mutual, and James Elton Bragg, Guardian Life.

Marshalltown, Ia.—"Selling According to the Book" was the topic of Lloyd Larson, general manager of Lennox Furnace Co. Mr. Larson pointed out the "rule book" of selling literally was thrown away about 1940 when the public began taking on a buyers nature. The "rule book" again is in vogue, he said, and people are demanding they be "sold." The association now has a membership of 40, an all-time high. L.U.T.C. citations were awarded at the meeting.

Roanoke—R. D. Carson, president of the Virginia association, visited the local association, which entertained underwriters from Danville, Martinsville, Lynchburg, Pulaski and Staunton. Alden C. Palmer, R. & R. Service, spoke.

Appleton, Wis.—Neil J. McCarty, Kaukauna, Wis., attorney, addressed the Fox Valley Assn. President August Appel, Mutual Service Life, presented certificates to 15 graduates of one-year underwriting training courses. Approximately 50 agents attended from the surrounding area.

Albuquerque—All 26 enrolled in a year's course in life insurance, given by the Central New Mexico Assn., received completion certificates at a luncheon meeting. The class was one of only 10 out of 400 similar classes in the U.S. to have 100% successful completion.

Pittsburgh—Don C. Blackwood, general agent for National Life of Vermont, Pittsburgh, will talk on "For Value Received" at four meetings of association branches. He will address the Uniontown branch Oct. 6, the New Castle branch Oct. 8, the Beaver Falls branch Oct. 1 and the Washington branch Oct. 21.

Stevens Point, Wis.—Central Wisconsin Assn. held its first fall meeting here. Next meeting will be Oct. 16 at Wisconsin Rapids.

St. Paul—Sales techniques were featured in a new film shown at the first fall meeting by Joseph Fink, assistant manager of the Swearingen agency of John Hancock.

Wichita, Kan.—Dean L. Hekus of the Underwriting of Wichita spoke on "Across the Table". John Kinchloe, national committeeman, reported on the Cleveland N.A.L.U. convention.

Gulfport, Miss.—George C. Poole, Gulfport postmaster and former Prudential agent, spoke.

San Antonio—"Local Association Organization and Committees" was discussed by John E. Sheffield, with Atlantic Life at Austin, before the Heart of Texas Association.

New Orleans—Fourteen members received certificates of quality from the National Association and 41 who completed the basic L.U.T.C. course were similarly honored. The certificates were presented by Cyril M. Scully, National association instructor. Edward P. Flynn, president of the local association, presided.

Kalamazoo, Mich.—Weekly classes are starting about Oct. 14 in part II of the L.U.T.C. course, and will be under the direction of Wade C. Campbell. The Michigan sales caravan will be in Kalamazoo Oct. 23 for the association's next regular meeting. The Battle Creek and Benton Harbor associations also will participate.

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Help your client to Protection -

HERE'S BIG NEWS

for the small employer



... And a big business opportunity for you!

It's The Travelers unique plan of Employee Life Insurance designed especially for firms too small to qualify for Group Insurance. It gives you the chance of offering something highly desirable to your prospects who fit this category. And it has all the advantages you know you can expect from The Travelers.

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You will find The Travelers Employee Life Insurance plan easy to sell. It gives you a big opportunity to win new friends among employers and employees and rewards you with attractive commissions.

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IN THE HEART OF AMERICA

Our insurance in force now totals more than One Billion Dollars and we specialize exclusively in ordinary, non-participating business—no group, no industrial, no health and accident, no re-insurance.

**KANSAS CITY LIFE INSURANCE
COMPANY**

AGENCIES IN 39 STATES AND THE DISTRICT OF COLUMBIA